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# ***JPRS Report***



## **East Asia**

### ***Southeast Asia***

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# East Asia Southeast Asia

JPRS-SEA-88-030

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**Paper Reports on Mining Sector**  
42000393 Rangoon *THE WORKING PEOPLE'S*  
*DAILY* 8 May 88 p 4

[Text] Prime Minister U Maung Maung Kha and party went on an inspection tour of Mandalay and Sagaing Divisions recently. During the tour the prime minister and party inspected the test running of the pilot special metal (2) gold mining in Thabeikkyin Township, pilot special metal (2) gold project in Patheingyi Township and No 1 Copper Project and Monywa Township.

Mining is one of the major productive sectors of our national economy. It being the case, we are striving to exploit mineral resources extensively and produce industrial raw materials required by the industrial enterprises.

The Ministry of Mines is also implementing projects for extraction of minerals that fetch good prices in the world market. That is why the Ministry of Mines has given priority to the exploration of the special metal (2) (gold), special gem (diamond), phosphate, bauxite ore and nickel ore.

However, according to provisional figures for 1987-88 production in the mining sector failed to meet the targets. Production even fell below that of the preceding year. This was due to the fall in the production of crude oil.

In order to increase the production in the mining sector, the state has placed emphasis on exploration and extraction of crude oil and natural gas. As a short-term arrangement crude oil is imported. The imported crude oil will be processed locally and distributed to satisfy the needs of various development projects being undertaken.

By inspecting important project sites the prime minister gains an opportunity to see for himself what is going on at the production sites. We are sure that the prime minister will find ways to improve the existing conditions and take remedial measures to remove shortcomings and boost production.

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**Suhardiman Envisions Methods of Communist Infiltration in 1990's**

*42130133b Jakarta SUARA PEMBARUAN in Indonesian 10 May 88 pp 1, 12*

[Text] Jakarta, 10 May—Dr Suhardiman SE, Vice Chairman of the Golkar Faction in Parliament and the founder of SOKSI (The Central Organization of Self-reliant [Government] Employees), invited educated people to look at communism in a wider sense. He proposed that "new style" communism could intellectually infiltrate and agilely move through bureaucratic and institutional mechanisms.

Suhardiman estimates that the new style communism will appear in 1995. Without violating the present decisions of the MPR [People's Consultative Assembly], BP-7 [Agency for the Study and Propagation of Pancasila], especially BP-7's leaders, level III college students, and also the best cadets from the military academies must study the weapons of the communists.

"We must introduce Marxism, but limit it to that related to academic study and not Marxism-Leninism or Marxism-Maoism, so they [the cadres] will know the communists' weapons in detail and can detect them along with preventing them," he said.

The retired 63-year-old Army general also stressed the need to put into operation the political decisions of the New Order government that relate to latent dangers, a clean environment [i.e., free of communism] and caution, in an attempt to prevent the rise of new style communism in Indonesia.

**New Style**

Suhardiman spoke preceding an interview with *Pembaruan* about the problem of the remnants of the G30S [30 September Movement]/PKI, specifically in relation to the explanation of Coordinating Minister for Political Affairs and Security Sudomo at the Bina Graha recently. Suhardiman, the founder of SOKSI, which was established to balance SOBSI [All-Indonesia Federation of Labor Organizations]/PKI and promote the ideas and concepts of government service that are realized in Golkar, said that "it is now more relevant to talk about communism in Indonesia in its wider meaning, instead of talking about the PKI." "If we talk about the problems of communism in Indonesia nowadays, the problem of the PKI will certainly be a part of it. I don't agree we should only discuss the problems of the PKI," he said.

What must be discussed about communism in Indonesia is "new style communism," not communism in the style of the PKI at the time of the Madiun Affair (1948) or G30S in 1965. At the same time we must make efforts to politically educate the people. Not the common people, but the middle and upper classes who don't really

concentrate on the problems of communism, and this should not just relate to its theory but also its application in a system of national development as well.

But before discussing new style communism in the national development system that we have been promoting that has the problems of [dealing with] the PKI built into the system, we have to operate under the constraints that have been based on the New Order government itself, and not move outside of these constraints.

Suhardiman said that there is still a program of political decisions by the New Order which, compared with the past, must be put into operation effectively and completely by the end of the Fourth 5-year plan. This is because the Fifth 5-year plan, which begins in 1989, will be the last chapter of the struggle of the liberating generation. "If this is not resolved completely and effectively, then there will be time bombs at the time we enter the window of [economic] take-off in 1994.

**"Panta-rei" Doctrine**

According to Suhardiman, a program of political decisions by the New Order has already declared the PKI to be a latent danger, which means its danger will never end because the their doctrine of struggle is "panta-rei" and doesn't recognize winning or losing in their struggle, but rather failure or success.

"So if Madiun was considered a failure, they rose again in 1965 (G30S), and if this is considered a failure, certainly they will appear again. When their appearance will be is what we have to estimate. Understanding the latent danger means they will rebuild the communist power in Indonesia, "And my estimate is this will be around 1995," said Suhardiman.

Whether this is in the form of a communist party or in some other form is not an issue. "My guess is that it won't be in the form of a party, like before. They will certainly be more effective, efficient, and productive if they form a force along with a power that is institutionalized in a super-structure that constitutes a way of overcoming problems and not infra," Suhardiman added.

In carrying out a "panta-rei" struggle, according to Suhardiman the method will be built into the existing system and they will not carry out counter-actions like their efforts in the past.

They are not going to attack with a principle of struggle of "from villages, surrounding villages, advancing toward the cities" or "from villages surrounding the cities" but by mass actions through movements supporting workers, farmers, and fishermen with physical power again. Because after the New Order government responded [with] several political policies, among others with the "floating mass" policy that made the villages infertile political fields for them, it made them change

their tactics to "from the cities move to the villages." Cities are again considered strategic in the move to the villages which have become "by-passes" or "express-ways."

The return of communism to Indonesia, according to his expectations, will proceed in response to social situations and conditions along with the government administration, especially by bureaucratic mechanisms, during Pelita I [error? intended Pelita V?] as well as now during the current Pelita IV.

"So it is clear that this conduit of the bureaucracy is what will become the "political battlefield" for them. In this way, through the existing rules of the game they will infiltrate into the bureaucratic conduits. It will certainly be from the center to the regions, and not the other way around. I call this constitutional infiltration because it is protected by the rules of the game and does not undermine the existing rules."

#### Deviations

Besides this, they have a mission to create deviations of the rules of the existing system, that is the 1945 Constitution and Pancasila, by creating deviations that are not apparent. "For example a cadre could have an important position and create a concept for administration or a directive of a certain law and make an undetectable deviation, so that the person who carried out the administration would carry out the deviation in detail."

As a result, there could be a "shadow" in implementing a clean environment [free of communism] and certain social groups that should be pure will have some members who are not.

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#### Biographical Information on New District Officials

##### H. Mohammad Ardans, Governor of East Kalimantan

42130133c Jakarta *SUARA KARYA* in Indonesian 5  
May 88 p 6

[Excerpts] The inauguration of H.M. Ardans SH (49) as governor of East Kalimantan replacing present governor H. Soewandi is expected to be held 20 June 1988. On this

day East Kalimantan Governor H. Soewandi will have served exactly 5 years since his own inauguration on 20 June 1983.

H.M. Ardans has been an acting governor [PLH Gubernur] of East Kalimantan because Governor H. Soewandi has been under medical care. H.M. Ardans, who is of the Kutai ethnic group and a graduate of Gadjah Mada University law school, won the nomination to become governor of East Kalimantan in a session of East Kalimantan's legislature [DPRD] several weeks ago.

H.M. Ardans, who has two sons and two daughters, began his career at the bottom as a section chief and has worked his way up to being acting governor of East Kalimantan.

##### Col. Poedjono Pranyoto, Governor of Lampung

42130133c

Jakarta *ANGKATAN BERSENJATA* in Indonesian 6  
May 88 pp 1, 2

[Excerpts] (AB) Jakarta—President Suharto, by Executive Order No 110/M/1988 dated 28 April 1988, has confirmed Col Czi Poedjono Pranyoto as governor regional commandant level I of Lampung, replacing Yasir Hadibroto, who has finished his service. Plans are for the minister of home affairs in the name of the president to inaugurate Poedjono Pranyoto as governor of Lampung this 11 May for a term of 5 years (1988-93).

Colonel Poedjono was born in Purwokerto on 6 August 1936. From 27 July 1987 until the present he has served as assistant governor of Irian Jaya.

Other offices held by the middle officer graduate of the engineering department of the Military Academy are as: assistant commander, Battle Regiment 4th Military District VII/Diponegoro; acting battalion commander Military District VII/Diponegoro; commander, Military District 0703 Cilicap, and district chief of Cilicap. His tenure as district chief of Cilicap was from 1979 to 1987.

He is married to Sri Mulyani Wahyuningsih and has three children.

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**Sisavat Keobounphan Role in Vientiane-Nong Khai Talks**

*42070130a Bangkok ANEO NA in Thai  
5 Apr 88 pp 1, 3, 20*

[Excerpt] Gen Sisavat Keobounphan, the chairman of the Supreme Staff, Lao People's Army, has now begun meeting with local Thai leaders. He sent a letter to Mr Santi Manikan, the governor of Nong Khai Province, inviting him to attend a meeting to discuss trade problems in the Mekong River area. Gen Sisavat issued the invitation in his capacity as chairman of the Vientiane City Administrative Committee. A Thai delegation went there on 3 March.

The delegation of Mr Santi Manikan took a boat from Tha Sadet to Tha Dua on the Lao side. When they arrived, Dr Siho Bannavong, the vice chairman of the Vientiane City Administrative Committee, welcomed them warmly. From there, they took a car to the Vientiane City Construction Company, which is located 4 km from the city, and began the discussions, which lasted 2 hours.

Dr Siho and Mr Santi, the governor of Nong Khai Province, issued a joint statement at the conclusion of the talks. The statement said that this invitation had been extended at the direct request of Gen Sisavat. He had sent his secretary to deliver the invitation on 1 March. The purpose of the meeting was to discuss economic and social issues. Both sides are in agreement that Thai trade as it is conducted today is illegal, because officials are not informed. From now on, open-air markets will be held along the Mekong River in Tha Bo District, Nong Khai Province, opposite Hataifong and Sisattahak districts in Laos. Officials will be responsible for opening these markets. If a citizen of either country violates the law, the law of the country where the crime was committed will apply.

Thailand proposed that Laos open tourism between Nong Khai and Vientiane in order to encourage Thai and foreigners to visit the Mekong River. Laos said that it would consider this. Laos asked permission to send a theatrical troupe to Nong Khai during the Songkran festival. Mr Santi said that that would be fine.

Gen Sisavat came and welcomed the Thai delegation after the talks had concluded, saying that he had had official business to attend to. He said that these talks were a new step in Thai-Lao history. He also mentioned the matter of Mrs Phankhrua Yongchaiyut, the wife of Thailand's RTA CINC, being attacked in the Thai press following her visit to Vientiane at his invitation. He said that the statements appearing in the Thai press were incorrect and that he was sorry for the trouble this has caused her.

On Gen Sisavat's instructions, the Thai delegation was given a very warm welcome. They were treated to foods that had never before been given to delegations at the

local level. This included prawns in fresh milk, fried partridge, baked deer meat, turtle soup, minced meat, and squid. Brandy and other drinks were served, too. Young Lao women were on hand to serve them. Songs were sung to foster better relations, and at the end there was a dance. The banquet was held at the place that Gen Sisavat had used to hold the banquet for Gen Chawalit Yongchaiyut and his wife, Mrs Phankhrua.

After the negotiations had been officially closed, the Thai delegation was taken to the Thai embassy in Vientiane, where they stayed the night. They returned to Thailand at 1200 hours on 4 April.

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**General Thonglai Visits Thai Border District**

*42070130b Bangkok DAILY NEWS in Thai  
14 Apr 88 pp 1, 20*

[Excerpts] A reporter reported that in Na Hao District, Loei Province, Songkran festivities were held at the Ban Na Muang School in Muang Subdistrict, Na Hao District, which is opposite Bo Ten District in Sayaboury Province, Laos. Mr Wisut Singkhachonworakun, the deputy governor of Loei Province, arranged the festival. The team of Thai military officers who helped arrange the ceasefire between Thailand and Laos, which is headed by Col Thawisak Khetsali, Brigadier Gen Thonglai Kommasit, who is a senior Lao officer, Col Somboun Sisavat, the head of the Lao military coordinating team, Miss Buahom Imkeo, who is Miss Vientiane, and 20 reporters came to attend the Songkran festival here along with others from Na Naeo District.

Mr Wisut talked about the Songkran festival and the purpose of holding the festival. He said that this is a traditional Thai festival in memory of our forefathers and revered individuals. It is also held to help foster solidarity. After he had concluded his remarks, on behalf of the Lao delegation, Brigadier Gen Thonglai got up and said that he was glad to have a chance to attend this Thai Songkran festival. He also said that he is pleased that the Thai and Lao military teams are working together well to solve the border problems. This is a good sign. Following that, the two military teams and Mr Wisut sat down in the seats arranged for them. Government officials and others then came and sprinkled water on them as is the custom. At noon, they had lunch together.

After lunch, the team of Brigadier Gen Thonglai took the Thai military team and Mr Wisut and his wife on a visit to the Lao side. They visited Wat Phosi in Bo Ten District, Sayaboury Province. A group of Lao and Lao officials made an offering according to the custom. At 1400 hours, they ate some food that had been specially prepared and drank beer. After that, there was dancing until 1600 hours. The Thai group then returned to Thailand. Brigadier Gen Thonglai accompanied them to the bridge across the Heuang River. The Lao soldiers

accompanying them jumped into the river and splashed water on both groups of military officers, drenching them. Both groups had a wonderful time.

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### **Thai Sources Comment on Senior Leadership**

**Leaders' Reading Habits, Sisavat Economic Role**  
*42070132 Bangkok LAK THAI in Thai*  
*12 May 88 pp 25, 26*

[Unattributed Article]

[Excerpts]

### **Laos Is Familiar With LAK THAI**

A news source of ours said that it's common for communist/socialist countries to think that the mass media is a force in building a mass movement. And even if the mass media belongs to the "enemy," it can still "inform them and inform us." Just a few hours before parliament was dissolved, on the Lao side, people were closely monitoring the situation inside Laos to see what changes would be made. At the same time, those responsible for monitoring Laos were watching the situation on the other side of the Mekong River to see what effect the changes there would have on Laos. Our news source said that LAK THAI is a high level magazine. Phoumi Vongvichit, the president of Laos, reads LAK THAI regularly. And LAK THAI is the only Thai publication to have published a report on Lt Gen Saman Viyaket, with whom Thai are less familiar than Kaysone Phomvihane and Gen Sisavat Keobounphan. That increased his importance in Laos. In our report on Lt Gen Saman Viyaket, we stated that he is a very powerful figure in Laos. He is a member of the Party Central Committee and the secretary general of the Lao Patriotic Front Party Center. And his top position is that of organizational head of the party center.

### **Laos Today: Good Living Conditions**

Today in Laos, looking across the Mekong River, which is beginning to rise greatly and cover the sandbars in the river, a "force" in Laos is, like the sandbars, being swallowed. There are serious internal problems. Because after relations at the military level opened the door, the embrace of Gen Chawalit Yongchaiyut and Gen Sisavat Keobounphan did not go for nothing. Gen Sisavat is rarely mentioned as the person who controls the Lao economy in his position as the person responsible for Vientiane City, the capital of the Laos. He is responsible for almost everything there, including trade. He is responsible for changing the special zones as well as stipulating new economic zones, which incorporate "capitalist" features. As a result, in this capacity Gen Sisavat has greater power over the living conditions and pocketbooks of the Lao people than he does in his capacity as head of the Supreme Military Staff. As a

person who is respected by Thailand, the power of this general has clearly increased. A news source of ours said that the difference of opinion between the military and the party is at a high level. And it seems that for the first time, the military now has a louder voice than the party. It is said that while no one knows who controls Laos, Vientiane is definitely controlled by Gen Sisavat Keobounphan. At the same time, Prime Minister Kaysone Phomvihane is acting as if the new economic policy that is being implemented is in accord with the "Lao slogan" that he announced to the Lao people: "Eat well, sleep well," which refers to having good living conditions, being happy, and not having to worry about anything. Concerning the phrase "eat well, sleep well," which is the target of the Lao government, it seems that "eating well" is up to Gen Sisavat, because he is the one who is responsible for arranging trade with Thailand and ensuring that there is sufficient money and goods. "Sleeping well" is also his responsibility, because as a military officer, he is responsible for security.

### **Pull From Vietnam**

Vietnam's "hope" of establishing an Indochina Federation has declined. That is now just a "dream." Our news source confirmed this. Vietnam is doing its utmost to prevent Laos from relying on Thailand. This is a major problem between the party and the military. Today, the situation in Laos, in socialist terminology, can be described as an "organization within an organization. The party is organized and so is the military. Power does not rest solely with the Lao Patriotic Front Party. The military has taken the ideas and directions of Lt Gen Saman Viyaket to the point where the sunset is preferred to sunrise. That's how our news source phrased it. Vietnam is to the east and Thailand is to the west. Vietnam knows that if Lt Gen Saman Viyaket continues to focus on the sunset, this will pose a great danger to the east. Thus, it is doing its utmost to prevent this, which means that it is putting pressure on the military, too, because "Saman" is a soldier. And he is a soldier who controls the heart of the party.

### **General Saman Thai Ethnic Background**

*42070132 Bangkok LAK THAI in Thai*  
*19 May 88 pp 24-26*

[Unattributed Article]

[Text] Top Power

Our news source said that LAK THAI is the only publication to have published a report on Lt Gen Saman Viyaket, who is a member of the Party Central Committee and who is the secretary general of the Lao Patriotic Front Party Center and organizational head of the Party Center. The news source also said that looking at the three positions held by Lt Gen Saman, it can be seen that he is the most powerful person in Laos. In particular, his positions as secretary general of the Party Center and organizational head of the Party Center give him great



power. By virtue of being the person who controls "organization," he controls the entire apparatus in Laos. It means that everybody and everything is under his control.

Lt Gen Saman is 1 of 13 people on the Party Central Committee Politburo, which is based on the Soviet model. Besides being a member of the Central Committee, he also holds other positions and has power as a person who implements things. Lt Gen Saman is "pro-Vietnamese" just like Gen Sisavat Keobounphan. The pro-Vietnamese faction on the Party Central Committee is a tightly knit group on political and military matters. It is composed of Lt Gen Saman Viyaket, Gen Sisavat Keobounphan, Mr Nouhak Phoumsavan, and Mr Maichantan Saengmani. In particular, Mr Maichantan is considered to be the ideologist of Lao communism.

#### **Vietnamese Faction Still in Control**

There is a major power struggle going on between the pro-Vietnamese faction and the faction that looks directly toward Moscow, or the pro-Soviet faction, which is ready to shake itself free of Vietnam on all fronts. Lao politics has been like this for a long time. But Vietnam and the pro-Vietnamese faction are still in firm control. Even though administrative and other powers belongs to the pro-Soviet faction, Vietnam still controls the party and policy. The pro-Soviet faction includes Mr Kaysone Phomvihane, Gen Khamtai Siphandon, Mr Udom Khattiya, Mr Sali Vongkhamsoo, and Brigadier Gen Chummai Saiyakon.

Of those who who are pro-Soviet, or who look directly to Moscow, the prime minister, Mr Kaysone Phomvihane, is the person who wields administrative power. Militarily, Gen Khamtai Siphandon is the chairman of the Party Center Military Council and the minister of defense. He is also a vice premier. Besides being a pro-Soviet member of the Party Central Committee, there have been reports that Gen Khamtai has been appointed chairman of the supreme staff, or supreme commander, in place of Gen Sisavat Keobounphan. If he has taken over this position, it means that he wields total military power and that Gen Sisavat holds military power as a person who "implements things." This would mean that the pro-Soviet faction controls both the administration, that is, the government, and the military. But this would not mean victory, because on the Party Central Committee, besides the pro-Vietnamese and pro-Soviet factions, there are also nationalists, or neutralists, who are thought to have the confidence and trust of the Lao people. This is the Souphanouvong faction. This faction is composed of Prince Souphanouvong, Mr Phoumi Vongvichit, the president of the country, Mr Phoun Sipaseut, and Mr Sisomphon Lovansay. This neutral faction on the Party Central Committee leans more toward Vietnam than the Soviet Union and feels that until Laos can stand on its own feet, it should rely on an

Asian country, because the two countries will understand each other better. As they have said, Vietnam has provided human support while the Soviet Union has provided only weapons.

#### **Libya, the White Bear**

Libya has provided terrorist training and given financial support to Laos. This indicates that the pro-Soviet faction is making a great effort to reduce the power of the pro-Vietnamese faction, meaning Lt Gen Saman Viyaket, the party powerholder, and Gen Sisavat Keobounphan, the military powerholder (in implementation). Cuba and East Germany became involved with Laos prior to this. Cuba sent military advisors to Laos. As for East Germany, many Lao students have studied there on scholarships in order to bring nonmilitary knowledge into Laos.

The reports that Gen Khamtai Siphandon, a "lowlander," or native of southern Lao, from Hong District in Champassak Province, has gained military power in place of Gen Sisavat Keobounphan stem from the Soviet Union, which wants to clip the wings, or at least trim the tail feathers of Vietnam. But that will be difficult, because power in the party still belongs to Lt Gen Saman Viyaket, who holds three important positions, that is, he is a member of the Party Central Committee and he is the secretary general of the Party Center and the organizational chief.

#### **Analyzing Saman**

LAK THAI was informed that the pro-Soviet faction has formulated a clever plan. The pro-Vietnamese faction, on the other hand, is changing its views. Lt Gen Saman Viyaket and Gen Sisavat Keobounphan are pulling away from the pro-Vietnamese faction. At the very least, they will join the neutralist faction, that is, the faction of Prince Souphanouvong and Phoumi Vongvichit. The reasons for this are "immediate reasons" requiring contact with Thailand and changing views about certain matters. Our news source said that when the Soviet Union saw that they were having ideological problems with Vietnam, it took steps to "handle things." Because this is a good time even though Vietnam will not be happy. However, power still rests with Lt Gen Saman Viyaket, who has supreme power in the Lao Patriotic Front Party.

Reducing the power of Lt Gen Saman Viyaket will be difficult. And as long as Lt Gen Saman is still strong, Gen Sisavat Keobounphan will remain strong. And effort is being made to reduce the party's confidence in Lt Gen Saman and Gen Sisavat. But that will be difficult to do. Because Lt Gen Saman and Gen Sisavat can still "rely" on the Souphanouvong faction. This faction feels that the actions taken by Gen Sisavat against Thailand were correct.

### Saman is Thai?

The attempt to reduce confidence in Lt Gen Saman Viyaket, the top powerholder in Laos, began by trying to portray him as a person who is not a "real" Lao. But there is a conflict about this. Lt Gen Saman can be called Thai by ethnicity and nationality. He was born in Sisaket Province, and he still has relatives living there. Also, he attended a well-known secondary school in Thailand, that is, Suan Kulap Withayalai, before he moved to Laos and joined the Pathet Lao. The fact that he was born in Sisaket and attended Suan Kulap has been used to prove that he is not Lao, which has caused conflicts within the pro-Vietnamese faction. This is because Vietnam has stated that northeastern Thailand really belongs to Laos and that those who come from this region are Lao. To say that Lt Gen Saman Viyaket is a Thai puts them in a quandary, because that is tantamount to admitting that this region belongs to Thailand and not Laos as Vietnam has said. The same is true of Gen Sisavat, who was born in So Phisai District, Nong Khai Province. They cannot say that he is Thai. Gen Sisavat has many relatives living in Nong Khai and in Chumphae District in Khon Kaen Province. Some use the surname "Keobounphan" and others have changed this to "Kaeobunphan."

There are reports that Lt Gen Saman Viyaket "crosses" into Thailand about once every 3 months in order to visit his relatives. They meet in Khon Kaen Province or occasionally Udon Thani Province. Thai officials are aware of this. They simply monitor his movements, not wishing to interfere with a visit to his native homeland and relatives. Because he is a Thai by birth and nationality.

### Saman and the Phak Mai

Now that the Communist Party of Thailand [CPT] has stopped playing a role, a party with a Thai line has been formed. This is called the Phak Mai [New Party], or Green Star movement because it uses a green star as its insignia. As for those who have supported or become involved with this party, besides Brigadier Gen Thonglai Kommasit and Mr Thonglun Sisulit, who negotiated with Thailand on the Rom Klao issue, the real "chairman of the Phak Mai" is Lt Gen Saman Viyaket. Besides controlling the Lao Patriotic Front Party, Lt Gen Saman also controls the Phak Mai.

In view of this, the pro-Vietnamese faction on the Central Committee of the Lao Patriotic Front Party, which includes Lt Gen Saman Viyaket, Gen Sisavat Keobounphan, Mr Nouhak Phoumsavan, and Mr Maichantan Saengmani, has worked for Vietnam continuously. If Lt Gen Saman is the chairman of the Phai Mai, it means that in organizing an Indochina Federation encompassing northeastern Thailand, Vietnam must rely on Lt Gen Saman.

This is the "situation" inside Laos that must be monitored. LAK THAI has already revealed certain secrets.

### Sisavat, More Power

The news source that revealed this "deep information" from Laos also revealed that besides being a member of the Party Central Committee and serving as the chairman of the supreme staff, Gen Sisavat also wields much economic power in Laos. That is because he controls the center of Laos, that is, Vientiane, in his capacity as chairman of the Vientiane City Administrative Committee (which is similar in form to Bangkok Metropolitan). This is another division of power. He controls the police, the military, the economy, the society, and so on. The deputy chairman of the Vientiane City Administrative Committee is Dr Siho Khannavong. Mr Chanthoum is the administrative chairman of Sisattahak District. Mr Savai Vongsikeo is the administrative chairman of Hattsaifong District. These two districts are subordinate to Vientiane City. This administrative form includes a trade section, an international economic section, a cultural section, and other sections. It's as if there were another government separate from the central government whose function is to govern Vientiane City. In this sphere, Gen Sisavat has great power, because Vientiane is the only large city in Laos. It is the center of everything. With regard to trade, Vientiane is the mouth of Laos, with the 3 million Lao being waiting "stomachs."

**Relations Between Sisavat, Khamtai, Saman**  
*42070132 Bangkok LAK THAI in Thai*  
*26 May 88 pp 25, 26*

[Unattributed Article]

[Text] If the position of Gen Sisavat is changed, we will have to take a new look at the role of Laos. The negotiations on the Ban Rom Klao issue have come to a standstill. The military agreed to a ceasefire and turned the task of negotiating over to the government. But the Lao government has complained that the ceasefire conditions have put Laos at a disadvantage. If the negotiations continue, Laos will be at a disadvantage. Thus, the negotiations have been postponed. It's as if the government doesn't want to solve the problem with the military. There is a serious conflict between the pro-Soviet and pro-Vietnamese factions," said our news source, a senior military officer with the 2d Army Region, when asked about the lack of progress in the negotiations between Thailand and Laos on the Ban Rom Klao border issue, which has not been settled. "We feel that the matter has been settled. But Laos has conflicts and unsettled issues and can't get out."

LAK THAI published indepth reports about Laos after the Ban Rom Klao ceasefire was arranged and the negotiations came to a standstill. There have been reports that Gen Sisavat Keobounphan will lose his position as chairman of the supreme staff, Lao People's Army. We reported this in two previous issues based on disclosures by a deep news source who is well informed.

about matters "inside" Laos. In this article, we will summarize matters, particularly problems concerning "Rom Klao" that have arisen for Laos.

### **Won the Battle, Lost the Negotiations**

Our news source said that the analysis made in Vientiane on the fighting at Ban Rom Klao concluded that Laos had won a military victory. There were celebrations and expressions of gladness in many districts. But during the negotiations with Thailand, Gen Sisavat Keobounphan turned victory into defeat. Because Laos had to withdraw its troops from the Heuang Nga River. Thailand considers its territory to extend up to this river. In short, Thailand regained all of this territory. Laos, on the other hand, feels that its territory extends to the Heuang Pak Man River. But it had to withdraw its forces from the Heuang Pak Man River. Initially, this was inaccessible because a favorable defense position was established at Hill 1428. "Laos feels that it withdrew from its own territory and lost territory to Thailand," said our news source. As a result of this, the next round of negotiations at the government, or diplomatic level did not achieve anything. It has not been possible to establish a border demarcation committee. Laos feels that it will be at a disadvantage, because there are no Lao troops in the disputed area. All of its troops had to withdraw in accord with the ceasefire agreement. "Thus, the Lao government has stopped negotiating, and wants to purge Gen Sisavat," said the news source. There is a clear confrontation between the pro-Soviet faction headed by Mr Kaysone Phomvihane, the prime minister, and the pro-Vietnamese faction headed by Lt Gen Saman Viyaket, the secretary general of the Party Center, a member of the Party Central Committee, and the organizational head of the Lao Patriotic Front Party Center, who fully supports Gen Sisavat. In short, there is a confrontation between the person who wields power in the party, that is, Lt Gen Saman, and Mr Kaysone, the prime minister.

### **Bargaining**

Our news source said that after Gen Sisavat reached a military agreement with Gen Chawalit Yongchaiyut, there were supposed to be further negotiations at the government level. The Thai government was ready to negotiate. But the Lao government stalled. He added that this "surrender at the negotiating table" has caused Gen Sisavat to lose much face and generated an angry backlash by relying on the forces in the party, particularly Lt Gen Saman Viyaket, the secretary general of the Party Center.

"There is much haggling going on at high levels, particularly within the Politburo. If Gen Sisavat wants to continue the negotiations at the government level, he should be appointed minister of foreign affairs. That would make things more convenient. Gen Sisavat has said that that would be fine. There are rumors that Gen Sisavat will be removed from his position as chairman of the supreme staff and appointed minister of foreign

affairs and that that military position will be given to Gen Khamtai Siphandon, the deputy prime minister, minister of defense, and chairman of the Party Center Military Council. That would mean that Gen Khamtai, who belongs to the pro-Soviet faction along with Mr Kaysone, will have total military power in the party and also militarily and operationally. Lt Gen Saman Viyaket will not allow this, because that would be tantamount to giving total military power to the pro-Soviet faction of Mr Kaysone, the prime minister. That should be the end of the matter if Lt Gen Saman refuses," said the news source.

### **We Must Review**

Our news source said that even though a ceasefire agreement has been reached, if the political negotiations do not succeed in stipulating the exact location of the border, we will have to review our military policy. What this means is that there is still no peace in the Rom Klao area. Because at present, the future is in the hands of Gen Sisavat. If political changes occur in Laos, the situation will change. In particular, the Soviet Union has sent Libya to play a greater role. If this faction grows, that will pose a danger, because that is the pro-Soviet faction. But it is thought that Lt Gen Saman Viyaket will maintain his control of the party. At present, he is thought to be in firm control. There is no indication that his control over the party is slipping. Besides this, in this faction, both Mr Nouhak Phoumsavan and Mr Maichantana Saengmani still wield great power in the party. "There might be changes. Based on our calculation of the forces, this faction may take control of national affairs, meaning that the government of Mr Kaysone would be replaced. The question is, Would the Soviet Union allow this?"

### **If There Is a Change**

If Gen Sisavat does change positions, that is, if he becomes minister of foreign affairs in order to negotiate with Thailand about the Rom Klao issue, and Gen Khamtai Siphandon is appointed chairman of the supreme staff in his place, there might be more military clashes, and not just at Rom Klao. There might be clashes at many points. If Gen Sisavat becomes foreign affairs minister, that will not benefit us at all.

Gen Khamtai Siphandon is a soldier who "loves to fight." He was once a soldier on the side of the government faction in Vientiane. When he was a 1st lieutenant, he joined the Pathet Lao. This is different from Gen Sisavat, who began his career with the Pathet Lao. He was never a soldier of the Vientiane government.

"Now that he is the minister of defense and the chairman of the Party Center Military Council, the only person blocking him in the military line is Gen Sisavat. If it weren't for Gen Sisavat, Gen Khamtai would have complete control over the military. Lt Gen Saman would

lack a military base to secure his three important positions in the party. This is the situation as it stands today," said our news source.

#### **Would Like New Fighting**

Our news source said that there are people who want to break the ceasefire and start fighting again. For example, some of our thahan phran irregulars were captured and killed on Songkran Day along the Heuang River. If we retaliate, that would suit their plans, because those people want to tear up the ceasefire agreement that Gen Sisavat reached with Thailand. That would reduce the importance of Gen Sisavat and lead to the appointment of a new military leader. "They don't want to fight for the Rom Klao area. What they want is for the shells to hit Gen Sisavat. That is their real intention," said the news source.

Regarding this, Gen Sisavat probably realizes that if there is renewed fighting, that will pose a great danger to him. Thus, many of the military commanders in Sayabouri Province and Bo Ten District have been replaced with people loyal to him. He was afraid that someone might violate the ceasefire order. He did this in order to be sure that the fighting will not start up again at Rom Klao.

#### **Everything is Sisavat**

In our last issue, it was reported that Gen Sisavat also serves as the chairman of the Vientiane City Administrative Committee, which is a position of great responsibility. He is responsible for economic, political, and military administration in Vientiane City. Gen Sisavat has taken urgent action to contact Thailand and trade with Thailand along the border, particularly in Si Chiang Mai and Nong Khai. He has also taken urgent steps to begin trading at the national level. Several companies have become involved in joint investment projects, and Thai have made investments. These include the Phu Doi Agricultural Development Company and the Joint Import-Export Investment Company. It is thought that if Gen Sisavat makes contact or conducts the negotiations, it will be easy to reach an agreement with Thailand. This is because Thailand will "catch the ball" that will enable Gen Sisavat to take responsibility for the living conditions of the Lao people and give him power over Laos' economy, which will increase his power on other fronts.

"If changes are made and Gen Sisavat is no longer in control of the military, the situation will become tense again. At present, we want Gen Sisavat to be the hero of Laos. With him, we can trade and open markets. Without him, Laos won't have food to eat if we close the border," said the news source.

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**NANYANG Comments on U.S.-Singapore  
'Diplomatic Row'**

*42050023E Kuala Lumpur NANYANG SIANG PAU in  
Chinese 10 May 88 p 2*

[Editorial: "Singapore-United States Diplomatic War  
Explodes"]

[Text] A sensational diplomatic war recently exploded between Singapore and the United States, in which the Singapore government divulged the inside story of an American diplomat interfering in Singapore's internal affairs. While this event deeply shocks local society, the people in our country are showing great concern about the development in our neighboring country.

The U.S.-Singapore diplomatic row pivots around a controversial political arrest in Singapore recently, involving two persons: an attorney-at-law named Francis Seow, former chairman of the Singapore Law Society, and another lawyer named Patrick Seong Kok Kei. These arrests have added certain complicated factors to the diplomatic row.

The Singapore government statement criticized Mason Hendrickson, first secretary of the U.S. Embassy, and two other unnamed U.S. State Department officials for drumming up, by lobbying and with money, local anti-government lawyers to take part in the coming parliamentary election; the government demanded the United States transfer the said first secretary who was accused of engaging in undiplomatic activities.

Although the Singapore authorities must have a basis for their censure, and while the American Embassy is defending itself against the accusation, it does not deny that its diplomatic official did meet with Singapore opposition figures. According to the American argument, contacts of its embassy officials with local people representing all walks of life are for the purpose of accurately comprehending developments in the host country, which conforms to their normal diplomatic activity. However, in compliance with Singapore government's request, the United States has decided to recall Hendrickson.

The United States is ASEAN's traditional ally and has always maintained close cooperation in the political and economic fields. Early this year the United States announced the abolition of GSP privileges for Asia's "four little dragons," one of whom is Singapore. This has caused some unpleasantness in the bilateral relationship between the United States and Singapore, and for this Singapore has made a representation with Washington. Furthermore, Prime Minister Lee Kuan Yew also visited the United States last month. It is anticipated that with the outbreak of the diplomatic row, the relations between the two countries will worsen, a deplorable thing indeed.

In the international realm, it has happened often that big powers meddle in other countries' internal affairs through military, political or economic channels in order to influence or control them. In reality, it is not a new thing that both the United States and the Soviet Union have been involved in espionage and subversion activities in this region of ours. We have records showing that the United States and the USSR were involved in this region's internal affairs in past decades; several years ago, sensational Soviet espionage cases were uncovered in Malaysia and Indonesia.

The big powers compete with each other by resorting to all sorts of interference in order to establish their respective spheres of influence and manipulate other countries. It really behooves small and weak nations to be on the alert to forestall their sovereignty and national security from being interfered with by outsiders.

It is now 29 years that Singapore has been ruled by the People's Action Party. Although remarkable progress and development have been achieved in many fields, "waves" and "fluctuations" still occur in the field of politics. At the present stage, the leadership of Singapore is in the process of "changing of the guard," striving for a breakthrough in the economic field.

The country urgently needs to maintain political stability. On the eve of the coming general election, everybody is on guard, to be sure that the country's political stability will not be sabotaged by any disadvantageous factors. This is quite understandable.

With regard to the U.S.-Singapore diplomatic row, apart from expressing concern, we hope that both parties uphold their traditional friendly spirit and seek ways to resolve the controversy, so that the amicable relationship between the United States and the ASEAN countries will not suffer any ill effect.

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**NANYANG SIANG PAU Views Cabinet  
Decision To Close Refugee Camp**

*42050023A Kuala Lumpur NANYANG SIANG PAU in  
Chinese 23 Apr 88 p 2*

[Editorial: "Government Decides to Close Refugee  
Camp to Bidong Island"]

[Text] The other day our Cabinet resolved to close the Indochinese refugee camp located on Bidong Island off the coast of Terengganu. The Ministry of Foreign Affairs was instructed to open negotiations with Vietnam, third countries and the UN Commission for Refugees to speed up the resettlement of about 5,000 refugees and to close the refugee camp within 1 year after the conclusion of the negotiations.

In divulging this news, Minister Datuk Dr Yusof Nor of the Prime Minister's Department explained that our country cannot indefinitely take care of Vietnam's illegal immigrants and that the people in Terengganu have incessantly complained saying that they cannot make good use of Bidong Island or turn it into a shelter from the wind for the fisherfolk. As a matter of fact, the government had intended long ago to end this island as a stopover for Vietnamese boat people and had informed the UN Commission for Refugees of its intention. It is evident that the existence of the refugee camp on the island not only makes it impossible for our country to conclude its refugee project, but also encourages the refugees to continue staying put there.

Ever since Vietnamese refugees fled their country and braved the raging seas in 1975, such Southeast Asian countries as Thailand, Malaysia, Singapore, Indonesia and the Philippines, and even Hong Kong further away, have all become the destinations for the boat people's landing. In particular, Thailand and Malaysia, which are relatively close to Vietnam geographically, suffered the greatest pressure. No less than 230,000 refugees have wandered about destitute in Malaysia alone, although most of them have been moved away to America, Canada and Australia by now. But at present more than 10,000 of the refugees still remain in our country, 50 percent of whom are to be found on Bidong Island. In addition, incidences of refugees landing in our country occur sporadically.

Our country has extended a helping hand to those unfortunate refugees on humanitarian ground. It is really hard for us to refuse aiding them, because they have been forced to flee turbulent changes in their country and have managed to live the remaining years of their lives only after going through terrifying waves. Consequently, we erected refugee shelters on Bidong Island and temporary stopovers in Beran and New Street Field pending their next move to a third country. Although much of the funds were provided by the UN Commission for Refugees and the International Red Cross, we contributed a lot in manpower, materials and other facilities so that the refugees may enjoy temporary solace in line with our upholding of humanitarian spirit.

However, this refugee problem has dragged on for 12 years. Like Thailand and other ASEAN countries, we are pestered beyond endurance and feel that this problem should be brought to an end. Early this month, Jean Pierre Hocke, the high commissioner of the UN Commission for Refugees, promised that the difficult boat people problem facing Malaysia would be solved before 1990 and that his office would do its best to move the refugees out of the country in an orderly manner. While we hope that this problem can be speedily solved, we must at the same time adopt a realistic attitude by giving it grace in time, because the United Nations is faced with all kinds of difficulties.

On the other hand, we must also see to it that after the refugees have all departed, no new refugees are allowed to flood into our country, and this involves the question of root-weeding and hole-plugging. When Vietnam's Deputy Foreign Minister Tran Quan Co visited us recently, our Ministry of Foreign Affairs did bring up this question. Vietnam should seriously consider to refrain from fomenting trouble with neighboring countries with the refugee problem. In the wake of the solution of the Afghanistan problem and the withdrawal of Soviet troops, some 5 million Afghanistan displaced persons are awaiting their turn to go home. The solution to the Kampuchean problem is only a matter of time, and large batches of Kampuchean refugees in Thailand will also have home to return to. As long as Vietnamese refugees are willing they also have the strength to go back to their own country, and this is a fundamental way for solving the Vietnamese refugee problem.

To speed up solution, the United Nations should once again convene an international conference on Vietnamese refugees to discuss how best to rehabilitate them. Such a conference should be attended by representatives of countries temporarily hosting the refugees, third countries and Vietnam. We hope that such an international conference and other bilateral and multilateral meetings can serve as an effective guide for our country to speedily solve the Vietnamese refugee problem once and for all.

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#### **DAP Plans To Recruit Malay Members**

*42050023B Kuala Lumpur NANYANG SIANG PAU in Chinese 24 Apr 88 p 5*

[Text] Ahmad Nor, vice president of the Democratic Action Party [DAP], said that his party, generally regarded as multiracial-based, is currently making efforts to change its image so that it can become a political party acceptable to all nationalities of Malaysia.

He said that most of DAP's members are Chinese, so he is recruiting Malays to join the party in preparation for the next general election.

In an interview with a BERNAMA News Agency reporter, Ahmad Nor said that all divisional and branch DAP chairmen and secretaries will soon receive a directive to start seriously recruiting Malay members right away.

He admitted that he will utilize the prevailing political confusion of Malays caused by the UMNO factional war to wrest Malays' support for the DAP, particularly in Perak, Penang, Pahang and Negeri Sembilan.

He said that his party's membership drive will welcome not only politically-independent Malays, but also those members of the old UMNO [United Malays National Organization], "because DAP's doors are open to them."

Asked whether his party has already contacted leaders of the old UMNO or invited them to join the DAP, Ahmad Nor said he would be glad to meet with them, but so far he has not made any contact with them.

He said if Malays join the DAP, this party will play a more effective role as an opposition and will raise the living standards of the Malaysian people, especially the Malays.

He indicated that should a general election be held any time now, his party will have enough Malay leaders to be nominated as candidates, adding that the DAP will do its best in putting up more Malay candidates to campaign for parliamentary seats.

DAP Acting Secretary General Lee Lam Thye said that its Central Committee is attaching great importance to increasing Malay support to the party.

Regarding the party's seven leaders who are in detention under the Internal Security Act, he said that their incarceration does not affect the party's operations which are going on as usual.

He said his party will launch a signature movement to collect 300,000 signatures among the people by way of appealing to the government for the release of the leaders concerned.

He said that within the next 2 to 3 weeks, he will file an application with the Registrar of Societies to request that those reelected but still detained DAP leaders be permitted to carry on with their position in the said party.

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#### **DAP Official Criticizes Arrest of Singapore's Francis Seow**

42050023D Kuala Lumpur *NANYANG SIANG PAU* in Chinese 9 May 88 p 18

[Text] Lee Thye, DAP acting secretary general, issued a statement in Kuala Lumpur criticizing the Singapore government for arresting, under the Internal Security Act, Francis Seow, Singapore's former solicitor general and ex-chairman of the Singapore Law Society. Mr Seow was arrested after applying for a writ of habeas corpus at the High Court in behalf of Patrick Seong and Teo Soh Lung, an action considered unfair and unreasonable by Lee Lam Thye. Mr Lee added that the DAP or any public figure who abides by the parliamentary democratic principles will not accept the conduct of arresting any person without interrogation on grounds of the Internal Security Act, no matter whether the arrest takes place in Singapore or any other place. He said that the DAP appeals to the Singapore government to set free Francis Seow immediately and unconditionally or arraign Mr Seow before the court in line with due process of law.

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#### **Editorial Questions Sino-Malay 'Sister School' Feasibility**

42050023C Kuala Lumpur *NANYANG SIANG PAU* in Chinese 28 Apr 88 p 2

[Editorial: "The Question of Implementation of a Sister-School System"]

[Text] The other day, Deputy Education Minister Woon See Chin proposed that a "sister school system" be put to an experiment at the Chinese Wee Sin Middle School in Kuala Terengganu, a proposal that evoked wide interest and reaction in the Chinese community. According to the proposed plan, the Wee Sin Middle School, which has a large ethnic-Chinese student body, establish a sister relationship with a national middle school nearby and, through an interflow of various school activities, the students would dilute their respective traditional outlook and thereby eradicate racial polarization.

Basically speaking, the deputy education minister's proposal was put forward with good intentions and carries a certain positive significance from the viewpoint of the basic principles for promoting interracial relationships. However, the public in general is worried whether irregularities may crop up in the execution of the sister school system, as was the case when the authorities experimented with the "Students Intermingling Unity Plan" which led to much controversy after the emergence of strange, unprincipled phenomena.

Although it is already a common practice for universities to form sister relationships with one another and to exchange students and lecturers and even to recognize each other's courses and degrees, the implementation of a sister school system for middle schools is still considered a new concept in our country. From the deputy education minister's disclosure we can learn a superficial concept only, that is, the two schools forming the sister relationship will jointly organize ball games, athletic meets, group activity services, picnics and help teachers and PTA meetings, as well as discuss their merits and seek common ground.

While awaiting the announcement concerning the concrete contents of the sister school system, we surmise that this system puts an emphasis on friendly contacts. Although the deputy education minister has clarified that this "sister school system" is different from the "primary school combined program" of bygone days, it appears that, judging by the emphasis on the interflow of extracurricular activities among the students, there is no big difference between the two. (It may be noted here that the "primary school combined program" and the "students intermingling unity plan" are one and the same thing.) As a matter of fact, combined, friendly extracurricular activities of mainstream school students are being held at present, but it is difficult to determine whether such activities have any impact on the eradication of racial polarization. At any rate, at a time when the Chinese community is concerned about the existence

or demise of Chinese primary schools, the implementation of the sister school system must not affect the problems of school administration or system as a whole.

The Wee Sin Middle School in Kuala Terengganu, where the proposed sister school system project is to be tried, is the only school in the entire Terengganu State with a heavy Chinese-language atmosphere. Citing the 1985 happening in the "student exchange" program, it is understandable that the Wee Sin Middle School's teachers and trustees are worried that implementation of the proposed sister school system might ruin the school's original characteristics.

Apart from dealing a blow to the existing mainstream-school education, implementation of the sister school

system will involve financing and other technical problems, and it is really not appropriate to have this system put into practice, in order to forestall any possible counterreaction.

It appears that the Education Ministry's proposal for the sister schools is still in its exploratory stage. We believe that it is necessary for the authorities to proclaim the contents of the plan in detail, and the steps and means of implementation. Furthermore, the authorities, should invite opinions from educational organizations and other parties concerned, draw on collective wisdom and absorb all useful ideas and then consider the question of implementation.

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**Sitthi Sawetsila Comments on Laos, ASEAN,  
U.S. Trade**  
*42070126 Bangkok SIAM RAT SAPDA WICHAN in  
Thai 10-16 Apr 88 pp 15-18*

[Interview with Air Chief Marshal Sitthi Sawetsila, the leader of the Social Action Party and minister of foreign affairs; date and place not specified]

[Excerpts] [Question] How do you feel about the fact that the Ministry of Foreign Affairs was not directly responsible for the problems that arose and became involved only after the problems arose?

[Answer] It wasn't like that. The trouble arose when Lao forces fired on our tractors and then sent troops to attack Ban Rom Klao. We issued a warning to Laos. We told Laos to remove their forces from our territory. That area belongs to Thailand.

After that, they took diplomatic action. We did not think that they would make a big issue of this or that they would take such military action. Initially, we thought that this was just a small clash. The Ministry of Foreign Affairs said that that was the end of the matter. Border disputes might arise. But when fierce fighting broke out, they took the matter to the United Nations. We presented the facts to the United Nations and to other bodies.

I have already talked about this action. In implementing our foreign policy, we have the cooperation of almost every sector, including the National Security Council and the military. We discuss things with them. The same was true in this case. We began playing a role when we received a cease-fire proposal. I talked with the prime minister and the RTA CINC. I felt that if that was what they wanted, we should not object to establishing contact.

The Ministry of Foreign Affairs.... With whom did they want to negotiate? Everyone in the ministry could take action. And that is our duty. Finally, they negotiated a cease-fire. During the negotiations, the Ministry of Foreign Affairs couldn't say anything. All we could do was provide support by giving our opinion. When the matter reaches us, we will have to negotiate with them again.

Actually, it's like in a neighborhood. Say there are four houses located next to each other. Two of the neighbors are friends. Our policy toward Laos is a policy toward a neighbor. We want to be friends and have good relations. We want there to be mutual understanding. This is our stated policy. We don't have a policy of confrontation or of remaining aloof. This has always been our policy. Our two other neighbors, Malaysia and Burma, have similar policies. It is easy to talk to them. There have always been border problems, such as the smuggling of narcotics and contraband and the location of the border. But if there is mutual understanding and good relations, things

will be all right. But if there is a lack of mutual understanding.... That is, if we are sincere, I hope that Laos will be sincere. If Laos is sincere, holds to what is right, and accepts the maps, we should be able to solve the problems. We have proposed that a joint committee be established to investigate the matter and demarcate the border. We have done this with Burma and Malaysia. Even though Malaysia is a good friend, we have been demarcating the border for more than 10 years, and this still hasn't been completed. Thus, I think that this matter will take time. We have to be patient.

[Question] The opposition feels that the fact that Laos chose to negotiate with the military means that it refuses to accept the position of the Ministry of Foreign Affairs.

[Answer] That was what they wanted. We are aware of Laos' activities. I don't want to discuss this. We know what they are up to. Actually, they have taken steps here, too. When messages were sent from there to the Ministry of Foreign Affairs through the Ministry of Foreign Affairs, their ambassador tried to contact our military and other sectors directly. He tried to contact his majesty's principal private secretary and asked to meet with the prime minister directly.

They have been making an issue of this for about a year now. I visited Ban Rom Klao. When I went with the prime minister, the military said that I had been attacked on the radio. They claimed that the Ministry of Foreign Affairs had refused to negotiate and, therefore, the military had to fight. This shows what they are up to.

They criticized me on the radio. There is no one that they.... I have never criticized any foreign affairs minister. They called me a liar. This is what they are like. If that is the type of game they want to play, we should refuse to play. We should keep quiet. They didn't want to negotiate with us. We couldn't help that. But now they want to negotiate with us. They have to negotiate with the Ministry of Foreign Affairs. It is the Ministry of Foreign Affairs that handles foreign affairs and diplomatic and international political matters. They have to negotiate with us, because we are the government's representative.

[Question] In view of the fact that Laos has been acting like this for a long time, will our diplomats retaliate?

[Answer] At present, we don't want to do anything. We consider ourselves to be adults. We view Laos as a smaller country. There is a difference between an adult and a child. Occasionally, a child can stick out its tongue at the adult. That doesn't get anyone's attention. But if the adult hits the child on the head and the child starts to cry, everyone will criticize the adult. We are very careful about this. Thus, we will not retaliate. Our conduct toward them must be absolutely correct.

[Question] If they can choose with whom to negotiate and we don't respond, won't that be a great diplomatic advantage?

[Answer] They have negotiated with the military. But now, the matter is in the hands of the Ministry of Foreign Affairs. They have refused to accept our proposal, which is an excellent proposal. Other countries have said that this is a fair and reasonable proposal. But they have refused to accept it. They refuse to accept the map, a map that they once used.

We have to plan our next step very carefully. We have to.... We can't play their game. At present, they are trying to divide us. If we split apart, we will have fallen into their trap. We have to get every government sector involved in planning our next step. There must be solidarity. Last night (at a Social Action Party dinner), I said that we are not a superpower. Our strength is in our political, economic, and social stability. We are united. We don't have internal splits. If we are wracked by internal splits, we will have fallen into their trap.

[Question] After the Rom Klao problem arose, what was ASEAN's view and what did they think about our attitude?

[Answer] From what Malaysia has said, they have listened to our reasons and said that they are on our side. ASEAN has listened to our reasons and believes us. But we don't want to expand this bilateral dispute into a regional dispute. We would be falling into their trap if we did. When new disputes arise, we feel that we should solve them ourselves. But they are giving us encouragement. When European visitors have come to see me, I have shown them the map and they have said that we are right and that the European Community will support us. I said that if they don't believe me, they can ask France. France has the same map.

[Question] Some people have suggested that we request more support from France in view of the fact that France was involved.

[Answer] We have asked them for documents. We have discussed certain matters with them. I can't tell you everything. They have to be careful in view of the fact that this is a dispute between Thailand and Laos. They just recently opened an embassy in Laos. (laughs) They probably won't do anything conspicuous. But I feel that they.... The map that they gave us has the seal of the foreign ministry, which is the same as ours. They were a party to the treaty.

[Question] What are Thai-U.S. relations like now?

[Answer] Good. Our relations are good now. But there are various problems that they.... As for the P.S.D. matter announced on 1 April, I wasn't aware that they had announced this. We were not affected.

I would like to praise Minister Arun (Phanuphong). This was an achievement on our part. Parliament and the Ministry of Foreign Affairs both played a part in extending the time. We have time to breathe. If our quota had been cut, that would have had a great impact on exports. That would have led to unemployment. Industries would have had to shut down, and problems would have arisen. But that won't happen.

Besides this, others had their quotas cut, and we can take advantage of this. I don't want to say that we are grabbing this away from them. Originally, they received P.S.D, but now they don't. We have to find ways to sell other types of goods, too, in addition to those we sell now. We have to have a plan. As for the other matters to which they are trying to get us to agree, I think that we will be able to discuss things together. We have to ask for an extension in order to give our people time to adjust. We have to have time to adjust, too. We have discussed this and will probably do so again. We don't want to get into a confrontation or clash with them.

I think that we have to talk with congressmen. Many have come to see me and talked about the government parties. The refugees are another issue that they have raised with us. We have to talk with them. The other matters don't pose a problem. On the Lao issue, the United States is the only country to state openly that they side with us.

[Question] Are you thinking about entrusting the leadership of the party to someone else?

[Answer] No.... When the time comes. When I am very old and can't handle things, I will have to turn things over to someone younger. When the time came, MR [royal title] Khukrit stepped aside. He stays on the sidelines and provides advice.

[Question] How do you usually spend your spare time. Do you read or what?

[Answer] I try to read a lot. But being minister of foreign affairs keeps me very busy. I can hardly keep up with all the things I have to read at the ministry. Whenever I start to read a book, a lot of work usually comes in and I have to put the book aside. But I try to read, because reading gives me knowledge.

[Question] The Foreign Affairs Subcommittee often says that our foreign policy is not really independent but that it depends on the National Security Council.

[Answer] That's not true. The National Security Council [NSC] is responsible for formulating policies on security matters. The Ministry of Foreign Affairs has its own policy committee. We formulate a foreign policy for each country, and these are submitted to the prime minister. The NSC reads these.

We are almost totally independent in formulating foreign policy. But sometimes, we have to rely on others, such as the Ministry of Defense, the Ministry of Interior, and the NSC. They are knowledgeable about defense. They sometimes provide input to help improve the policy. That's all.

[Question] Some feel that we should place greater emphasis on the socialist bloc.

[Answer] I have visited almost all the socialist countries. I have visited many of the East European countries. I have been to the Soviet Union. I have been to China 12 times. I have been many places. I have been to Africa and the Arab countries. I was the first [Thai] minister to visit Latin America. In short, I have visited every place possible in the time available to me.

[Question] Some people feel that in view of the fact that you once served as secretary general of the NSC, you tend to place too great an emphasis on security and that you are prejudiced against these countries.

[Answer] That's not true. I am not prejudiced against anyone. Our policies are the government's policies. They have to be formulated very carefully.

I have never been prejudiced against anyone. Others have been prejudiced against me. This is the truth. Take Laos, for example. When Mr Phoun Siprasoet went to the United Nations, he often stood by himself. I frequently went up to greet him.

I have never condemned Laos, except when they have made mistakes. There is also the matter of the ambassador. I have never used strong language. I have used only normal language. People can't accuse me of being prejudiced or remaining aloof. When I went to the Soviet Union, they received me warmly. I have been to East Germany, Czechoslovakia, Hungary, Poland, and Yugoslavia.

[Question] A new duty of the Ministry of Foreign Affairs is trade....

[Answer] We place great emphasis on trade. Today, we are focusing on trade. We know that the trade problems are very important. The Ministry of Foreign Affairs must be the spearhead in coordinating things with other government units. Diplomats have been entrusted with more economic tasks. We are negotiating with other countries to ensure that we are not placed at a disadvantage.

I am the chairman of joint international subcommittees with Malaysia, Bangladesh, the United States, and Japan. The deputy minister is the chairman of the others. There are many of these. We often reach financial and trade agreements. We handle such matters. Today, we are trying to gather information on this. That is why I

have said that I am trying to learn quickly. That is, I have asked leading businessmen to attend meetings and explain their problems to us.

When we know what their problems are and where we are at now, we will know what the needs of our businessmen and sectors are.

11943

### **Columnist Sees Presence of U.S. Philippine Bases as Colonialism**

42070128a Bangkok BAN MUANG in Thai  
10 Apr 88 p 2

["Stop the World" column by "Freeman": "The Philippines and the United States Are Discussing the Problem of the Military Bases"]

[Excerpts] The Philippines have been an important military base of the United States in the Asia and Pacific region ever since the Philippines was an American colony. After the Philippines gained its independence following the Second World War, the United States began paying rent to the Philippine government on its naval and air bases there in the form of military and economic aid grants. This agreement will expire in 1991, or in just 3 more years.

The Philippine government of President Aquino wants to raise the rent on these bases if the United States wants to keep its bases there.

Mr Raul Manglapus, the Philippine minister of foreign affairs, has asked that the 1947 agreement on the U.S. military bases be revised to require the United States to obtain the permission of the Philippine government before using these bases to carry on military operations. Mr Nicholas Platt, the American ambassador and the head of the U.S. delegation, has rejected this proposal, claiming that this shows that the Philippine people do not trust the United States. Mr Manglapus, the Philippine foreign affairs minister, countered by saying that "if you trust us, why will you neither confirm nor deny the presence of nuclear weapons at the U.S. bases in the Philippines?"

Before the meeting, Mr Manglapus, who holds the rank of general in the Philippine army, said that the representatives of the Philippine government are looking for a way to change the agreement. He said that this will help increase the security of Philippine sovereignty and protect the nation's interests.

Mr Manglapus has asked that the rent on the bases be increased to \$1.2 billion a year, saying that this is a reasonable price for renting Philippine land and territorial waters.

The Philippine delegation will raise the issue of nuclear weapons at the American bases with the U.S. delegation, because the new constitution of the Philippines prohibits nuclear weapons.

The negotiations between the Philippines and the United States are expected to last 3 months. Demands that these military bases be closed are on the increase. Most Filipinos feel that these bases are a symbol of U.S. colonial rule.

During the negotiations, Mr Platt, the U.S. ambassador, stated that the American bases in the Philippines are important to the defense of Southeast Asia in confronting Soviet military expansion in this region. He added that the 20,000 American servicemen stationed in the Philippines enable the Philippines to use its money for economic development instead of for national defense.

The Philippine people will have to make a choice between national honor as an independent country and the money that the country receives from the United States in rent for the military bases, which have given the United States political, military, and economic influence over the Philippines.

11943

**Deputy Foreign Minister on Burma, Malaysia  
Border Issues**

42070125b Bangkok KHAO PHISSET in Thai  
6-12 Apr 88 pp 24-28

[Interview with 2d Lt Praphat Limpaphan, the deputy minister of foreign affairs; date and place not specified]

[Excerpts] Editorial note: Second Lieutenant Praphat Limpaphan, a Social Action Party MP from Sukhothai Province, has been the deputy minister of foreign affairs for two terms now under Air Chief Marshal Sitthi Sawetsila, the minister of foreign affairs. He is generally viewed as the person who handles foreign affairs matters having to do with trade and commerce. But recently, it seems that his role has increased in accord with the broad responsibilities of the Ministry of Foreign Affairs and the major problems that have been encountered. Second Lieutenant Praphat has become deeply involved in matters concerning relations with Burma at a time when our relations with Burma are improving. Besides this, he is also involved in the ministry's policy activities. His views are quite similar to those of ACM Sitthi Sawetsila, and, therefore, they clearly reflect the direction of the ministry's policies on the situation along each border.

[Question] Now that relations between the Thailand and Burma are improving, will this result in Thailand implementing tougher policies on Thai-Burmese border issues, particularly on the border minority groups?

[Answer] It must be understood that at the national level, we have to stress relations at the national level. In particular, these relations are based on mutual understanding. That is, they are based on actions acceptable to the international community. Relations are based on mutual interests and on staying out of each other's internal affairs. This is the same as our relationship with Malaysia. While we have had relations with Malaysia, we have had problems with the separatist movement in the south. This has created problems for us. But we are sure that neighboring countries with which we have relations will not interfere in our internal affairs. At the same time, we have to take care of our problems and ensure that things are fair and proper. We won't go so far as to form suspicions. Relations between Thailand and Burma are similar to those between Thailand and Malaysia. And as I said, we won't interfere or meddle in their internal affairs.

[Question] But is it possible that these improved relations, which continue to develop, could lead to greater cooperation, such as carrying on joint suppression operations along the border just as we did with Malaysia to eradicate the Malaysian communist guerrillas?

[Answer] An attempt to develop our relations may be made in the future. But today, we are not involved in such activities. Today, we are cooperating only in suppressing narcotics. And this is part of a joint international effort. Every country wants to suppress narcotics. The problems between Thailand and Malaysia and between Thailand and Burma are not exactly the same.

[Question] I may have gone a little too far when I used the word "suppression." But what I really wanted to ask was whether these relations will lead to violence along the Thai-Burmese border. For example, if Thailand and Burma engage in joint timber operations in the Shan State and transport the logs into Chiang Dao, we will definitely have to confront the influence of the minority groups in that area. Will this lead to more fighting?

[Answer] Thailand and Burma have opened border trade. This is a matter between Thai merchants and the Burmese government. That is between them. As for our responsibility, we are responsible only for things that happen in Thailand. Burma is responsible for things inside Burma. This is the first time in 40 years that there has been border trade like this. This is an indication of our improved relations. In particular, during the negotiations on the border issue, we have set the Sai River as the border demarcation line. This is the first time that this new method has been used. It has never been used before anywhere in the world. Both sides have accepted this. In the future, after the border along the Sai River has been fully demarcated—this is now about 60 percent complete—the next step will be the Ruak River.

[Question] In your view, how capable is the Burmese government of controlling the various influences along the border?

[Answer] As for the things for which they are responsible, I think that they will have to monitor things very closely. Along the Thai-Burmese border, there are many points at which we can cooperate. There are many ways out. After opening trade points in Chiang Dao, we may open points in the Moei River area or in Mae Sot. After that, we may do so in Ranong. And those are points that I think the Burmese government can control. Even Mae Sai and Tha Khi Lek are possibilities.

[Question] How much progress has been made in demarcating the border?

[Answer] We have just started. The points that are being demarcated are points that undergo rather rapid territorial changes. That is, the paths of the rivers change. We have to solve this problem first. There is talk about demarcating the border along the Moei River next. This can be done in Ranong Province. The next step will be in the Three Pagodas area. As for those areas for which we can't find treaties between Thailand and England, we will have to postpone this for the time being. As for areas in which the course of the river changes, we will construct dams and dig out the banks. This is a beginning that will lead to cooperation on many other fronts, such as energy. And dams may be constructed as part of the Salween and Moei river projects. There may be cooperation on electrical power. We have already discussed this. I think that good progress will soon be made.

In short, both sides stand to benefit greatly from these relations. They have zinc deposits similar to those in Tak Province. The cost of building a smelting plant is very high. The amount of raw materials present may not be worth the cost of building a plant. They may sell the ore to us. Because we have enough raw materials to feed the plant for only 15 years. We are looking for additional raw materials to feed the plant. If we can't purchase materials from Burma, we might have to purchase them from countries located far away. Or take the plywood mill, for example. This mill needs several million cubic meters of timber a year. Today, we are having much trouble with this, because the timber used to make plywood must be of special quality. We have to purchase this timber abroad. Our plywood industry is doing fine. Thus, good relations with Burma may make it possible for us to obtain several types of raw materials in demand here.

[Question] It seems that you are placing special emphasis on the economic benefits that may follow from these relations. But at the same time, some people feel that we have moved more slowly than other countries, which have already established relations with Burma. Japan, for example, has penetrated Burma thoroughly.

[Answer] No country has ever been able to become deeply involved with Burma. The only way has been to carry on aid projects, and once those are completed, they have to leave. I am sure of this, because I have twice witnessed this personally. Thai officials at both the higher and lower echelons have discussed things with

Burma on many occasions. They have told us about these things. They have never increased the capabilities of other countries as some think. They are more willing to talk to us as a neighboring country.

[Question] How hopeful is Thailand that Burma will join ASEAN, or become the seventh member of ASEAN?

[Answer] We have invited Burma to join. But they have not decided. This is their decision. They have received pressure from several groups, such as the Chat group in South Asia. Thus, they have remained neutral. Burma wants to remain neutral. In the past, they resigned from the group of nonaligned countries, saying that the group was not really neutral. As for our approaching them on this, I don't think that they are ready yet.

[Question] I would now like to turn to the Thai-Malaysian border. What progress has been made in demarcating the border between km 65-70?

[Answer] Much progress has been made. This is no longer a technical problem. It is a matter that requires political discussions. It is no longer the responsibility of the technical officials. If I remember correctly, at the meeting of the joint committee that was chaired by the minister of foreign affairs, it was requested that a new study be made. This was submitted to the joint committee, that is, to the two foreign affairs ministers.

[Question] Which is more serious, the differences over the demarcation line between km 65-70 or the economic territorial waters problem?

[Answer] (laughs) That economic area, which is called the joint development area, does not pose a problem. That is an internal problem of ours. Private Thai companies that engage in joint fishing operations with Malaysia have been granted a concession. The problem is not with Malaysia. It's with us. In the agreement, we agreed to the joint use of nonliving ocean resources, not living resources. Thus, fishing is another matter. But if it concerns minerals or oil, that is no problem.

[Question] Concerning fishing, recently, there were reports that a Thai fishing company began cooperating with the Vietnamese government. How does the Ministry of Foreign Affairs feel about Thai in the private sector cooperating with the Indochina countries? There is concern that better relations between Thai fishermen and Vietnam may affect the cooperative fishing activities of Thailand and Malaysia.

[Answer] I don't think so. This is up to the private sector. They can do this. That is, they can engage in joint fishing activities. We are neutral. We can't promote this or prohibit this. They are private individuals and have the right to do that.

[Question] Doesn't the Ministry of Foreign Affairs have a policy that sets a framework for such activities?

[Answer] No. Anything that benefits the country is normal. But it would be difficult for us to promote this. We don't want other countries to trade with Vietnam and so it would seem strange if we encouraged our people to do this. As far as policy is concerned, what we want.... What we don't want is to increase their power in any way that would pose a threat to us.

[Question] Has the fact that many Thai businessmen have gone to Laos and Vietnam disconcerted the Ministry of Foreign Affairs at all?

[Answer] No. But as for Laos, not that many have gone.

[Question] In view of the fact that Laos is not sincere and has allowed the matter to drag on, will we have to remain on the defensive and continue to wait?

[Answer] We are trying to find a way to get things moving. At present, we are waiting for Laos to respond to our proposal. The ball is in Laos' court, not ours. We have to wait. At the same time, we have to understand each other. The mass media, military, administration, and parliament must all understand. We are making a great effort to solve this problem. We are trying to take action based on internationally accepted principles.

[Question] Don't we have anything that we can use to get things moving faster than this instead of allowing things to drag on like this? The people are suspicious of the various institutions responsible.

[Answer] It's like this.... (laughs) In my view, when something happens, both sides lose. They have to rely on us for many things. If they can't solve the problems, the problems of their people, we feel that the people may put great pressure on the government. In considering the Lao problem, there are two things that must be kept separate if we are to have a clear picture. One is the people, and the other is the government. It is said that the people are on Thailand's side. If the people say that, I believe it. But if the government says it, then I am not sure. With whom do you side, the people or the government?

[Question] Does that mean that we have had an effect on Laos through the people?

[Answer] Actually, we can do this in several ways. The people still have relations with us. At the time of the boat races in Chiang Rai, I went to help. I went to both Laos and Burma. We provided help. The people knew nothing about a conflict. That involved only the administration, 100 people at most.

[Question] You mean that the Ministry of Foreign Affairs feels that turning Laos into a neutral country is still a viable policy.

[Answer] That's what we would like. They have to rely on us for many things. We purchase 800 million baht worth of electricity from Laos each year. The electricity

is transmitted through Thailand before it reaches Savannakhet. They have to use our lines and various types of transportation. As a landlocked country, they have to pass through Thailand. And in the north, they have to rely on consumer goods from Thailand. Thus, if we can get the Lao people to understand us, I am sure that.... This is an important issue. Color television Channel 7 has a great impact on Laos. The Lao people watch television. They understand that Thai plays and society are very similar to their own.

[Question] The Lao government is trying to find a way to the sea by building a road to Cam Ranh Bay. Is this a viable alternative?

[Answer] That will be difficult. That will take a long time. People in the Free World think that the communists will help each other. But I don't think that the communists will help each other. They tend to exchange help. It's a matter of interests. If you investigate in Laos, you will discover that Vietnam is now benefiting greatly from its presence in Laos. And Vietnam has to send laborers to work in the Soviet Union. They have no compassion. There are many Vietnamese in Czechoslovakia and Poland.

[Question] Besides economic and social pressure, is there any chance that military power will be used again to solve these problems?

[Answer] (laughs) I can't say. But what I can say is that Laos is not sincere. The military has made a great effort to reach a compromise with Laos. Laos has constantly criticized them, which has done them much harm.

[Question] Recently, a U.P.I. story stated that the United States has sent another shipment of war materials to us to support Thailand in the Rom Klao affair.

[Answer] That's incorrect. It was probably a shipment of weapons that we had ordered FMS. They are not providing any special support. That was probably an ordinary shipment. We are very strong. People think that we are militarily weak. But actually, we are quite strong. But we will use that strength only when necessary.

[Question] There have been many reports stating that we experienced many problems in the Rom Klao clash. It has been reported that we lacked weapons and ammunition. What is the truth? And at present, what progress has been made in the Thai-American arms depot?

[Answer] As for the reserve arms depot, this matter is proceeding well. It has passed the U.S. Congress. Today, we are in the implementation stage. The legislative phase has ended. We are now discussing administrative matters. As for the details, that is a military matter. Actually, it was Thailand that requested this arms depot. It was not U.S. policy to establish an arms depot in Thailand. Our prime minister went and requested this. The United States granted our request.

[Question] What do we expect from the prime minister's visit to the Soviet Union?

[Answer] I think that he is making the trip in order to find a way to reduce the existing pressures, particularly in this region. We have many problems. We want peace in this region. That would make us more secure.

[Question] That means that he will focus more on political rather than economic issues, right?

[Answer] That's right. He will probably focus more on political issues.

11943

**Reporter Views MP Visit to SRV, Thach Remarks**

42070129b Bangkok THAI RAT in Thai 4 May 88 p 3

[Article by Isaraphap Phunsoem: "Temperatures of Four Former Thai MPs in Hanoi Rose When Prem Dissolved Parliament"]

[Text] A group of Thai Nation Party MPs led by Mr Aram Lowira, an MP from Chaiyaphum, Mr Kamon Chiraphanwanit, an MP from Lopburi, Mr Songyot Rammasut, an MP from Nong Khai, and 2d Lt Wichai Chitphithakloet, an MP from Khorat, was on an unofficial visit to Vietnam (if this had been an official visit, the Ministry of Foreign Affairs of Sitthi Sawetsila would have tried to prevent them from going) when it was learned that Thailand's parliament had been dissolved. They immediately tried to get an airplane home but found that difficult, because there are only a couple of flights a week from Hanoi to Bangkok.

The four MPs, who were now former MPs, toasted Prem Tinsulanon and wished him long life. But even though they were no longer MPs, Mr Nguyen Co Thach, the deputy prime minister and minister of foreign affairs, agreed to meet with them as scheduled.

Mr Thach, who acted subdued and not obstreperous as in the past, welcomed them by saying that "I am happy that you have come to Vietnam. We are not meeting as enemies. The United States, the Soviet Union, and China are cooperating with each other and so why can't Thailand and Vietnam. In the past, the United States and France waged war against Vietnam. But now, relations between us are good. In the press, we may attack each other, but when we meet we can act in a friendly manner toward each other. In the near future, we will probably be good neighbors...."

Mr Thach said that "Vietnam wants good relations with Thailand based on mutual interests. We feel that the problems in Cambodia will soon be solved. Even if we are not close friends now, after the problems in Cambodia have been solved, relations between us should improve...."

Mr Thach, who was much less strident, added that "in the past, the leaders of our two countries did less to promote understanding than the people and businessmen, who took the lead in this. Businessmen are still playing a greater role than the government. We can cooperate without any preconditions. Japan and Singapore have good trade relations with Vietnam. On the political front, even though Singapore may oppose Vietnam—they have criticized us even more than Thailand—they still carry on trade with us under the table. (At this point, Mr Thach bent down and put his hand under the table.) Singapore is very clever. They have a head for business. But this cleverness is not good for Thailand...."

Reaching the heart of the matter, Mr Thach criticized Sitthi Sawetsila. But I have run out of paper and will continue tomorrow.

11943

**Racketeering, Refugee Smuggling; Countermeasures Noted**

42070133b Bangkok LAK THAI in Thai  
24 Apr 88 pp 29, 30

[Excerpt] Police Department records on the smuggling of Vietnamese refugees into the country describe the background and activities of Mr Nghien Thi in great detail. Mr Nghien Thi is a Vietnamese by birth. He was born in Vietnam. He was once an infantryman and was assigned to an intelligence unit subordinate to the Ho Chi Minh City Internal Security Center. He fled Vietnam just before the Vietnam War ended. When he first arrived, he lived on Kong Island. Officials in Trat Province helped him obtain Thai citizenship, changing his name to "Mr Bun Kittti."

Today, Mr Bun Kittti is 37 years old. Before his arrest, he lived in Bangkok, but he made frequent trips to Trat Province. He maintained a residence in Wong Krachae Subdistrict, Muang District, Trat Province. He was a very close friend of the headman of Village 1, Wong Krachae Subdistrict. It is thought that this village headman helped him smuggle Vietnamese into Thailand.

As for how Mr Bun Kittti, a Vietnamese posing as a Thai, smuggled Vietnamese into Thailand, the first step was to contact his wife, Alyi, a Vietnamese who is now an American citizen and who lives in the United States, and other Vietnamese living in the United States in order to receive an "order" for admitting Vietnamese into the United States. Contact was maintained using P.O. Box 16, Trat Province, which Mr Bun Kittti had rented.

After Mr Bun received an order from the United States, he traveled with Mr Nam, a Cambodian, to Vietnam to locate those listed in the order and find out whether they would be willing to flee the country. After finding the right number of people who could be smuggled out as a group, Mr Bun looked for a way to smuggle them out

safely. The first country of asylum was Thailand, from where preparations could be made to send them to the third country, that is, the United States, in accord with the payments made by the relatives of these Vietnamese, who had contacted and paid the officials concerned.

Besides his wife in the United States, Mr Bun Kittu also had a wife in Cambodia named "Chiu Yi." She helped him hire Cambodian boats to transport the Vietnamese from Cambodian waters to Kong Island and then to the port in Khlong Yai District.

"Looked at cursorily, these boats looked like Thai boats. But really, they were Cambodian boats that fished in the waters around there. They tried to make it seem as if they had come to sell their fish. There were approximately 50 of these boats," said a news source. He added that when the Cambodian boats reached the dock, officials of the UNHCR (United Nations High Commissioner for Refugees) were on hand to receive them.

"It seems that they knew about this in advance," said the news source. He also said that a man named "Mr Sanit" was one of the chief culprits in handling things after that. As for Thai government officials, officials from a Police Department unit that uses the initial "S" were involved, too. Mr Bun Kittu paid them a bribe every month.

"The Vietnamese paid Mr Bun Kittu in gold. The price was 2 tamlung (5 baht) of gold per adult and 1 tamlung (2.5) of gold per child," said the news source to LAK THAI.

However, because special police units have been stationed along the border in Trat Province and orders have been given to "shoot to kill" if Vietnamese boats persist in coming here, those involved in smuggling Vietnamese into the country are now less active in the waters off Trat Province. But because of the huge profits that can be made, this business has not been abandoned. Besides the group of Mr Bun Kittu, there are also other groups involved in smuggling Vietnamese into the country. They have ties to officials in several sectors and to people of influence concerning maritime activities. They have moved the location for bringing in refugees from Trat Province to provinces along the southern coast.

LAK THAI's news source said that "many Vietnamese refugees have been taken to Surat Thani, Nakhon Sithammarat, and Songkhla provinces. But the group behind the sea mafia is the same group that has influence in Trat Province. Godfathers from the eastern region are still the leaders."

Trade in strategic goods has shifted from Trat Province to the port in Mahachai District, Samut Sakhon Province. People rent boats belonging to "Mr Sia," an influential man in the Mahachai area, at a cost of 10,000 baht

per trip. They have permits to sail through the Andaman Sea but sail to Cambodia by pretending that they are going to Singapore. They turn back and go to Kampong Som instead.

"Mr Sia just receives the rent on the boats and port facilities. He is not involved with this trade," said the news source. Last week, police officials subordinate to Precinct 2, Suppression Division, searched the godown belonging to Mr Sia but did not find anything. That is because Mr Sia just collects money for renting the boats and port facilities.

A reliable news source discussed the effort now being made to expel the Vietnamese. He said that the Ministry of the Interior has ordered the Marine Police Division, which is commanded by Police Maj Gen Thirachai Riancharoen, to try and expel the Vietnamese who are waiting aboard boats in preparation for coming ashore along the southern coast by pulling and pushing the boats out of Thai waters. The Marine Police Division has mobilized most of its forces and another 40 boats in order to conduct patrols. The fuel and money to pay the other expenses used in operating the boats come from the "United Nations."

The operations carried on by the Marine Police have achieved excellent results. They have expelled more than 1,000 Vietnamese refugees to an island belonging to Malaysia. The worrisome thing is that Malaysia is complaining about Thailand leaving this "huge pile of trash." This will almost certainly become an international problem.

11943

**Columnist Urges Development Aid to Laos**  
*42070128d Bangkok MATICHON in Thai*  
15 Apr 88 p 8

[Article by Khamman Khonko: The Lao-Thai War, Proof of the Leaders' Wisdom"]

[Excerpt] I want to express praise for those who helped end the fighting between Thailand and Laos regardless of whether they are Thai, Lao, or people from some other country. But I doubt if people from other countries have good intentions toward both countries. Thus, those who helped end the fighting were undoubtedly Thai and Lao.

Now that the fighting has stopped, we should be friends, trade with each other, and work to make our countries richer. If there is something that requires that we work together, such as the Mekong River, we should work together. But this will depend on the leaders of our countries. The question is, Which country will be the first to have a wise leader?

In the past, relations between Thailand and Laos were different. After the Second World War, Thailand viewed Laos as a younger brother that it had to help rather than



as a rogue underdeveloped country. If we treat Laos the same way that the United States has treated us, Laos will probably lean toward us rather than Vietnam.

What we should do but haven't is give aid to Laos just like the United States has done with us. We should give scholarships to Lao students to study in Thailand. For example, we could let Lao students attend teacher's colleges and universities here. We could give scholarships to Lao officials to enable them to study and observe activities here. If we had done that since 1957, many Lao officials would be alumni of Thai schools, and they would have much greater respect for Thailand.

At the same time, the private sector and the politicians and soldiers should aid Laos on the investment front. If we had done this since 1957, Laos would be a country in which Thai could trade and invest instead of being a country in which Japanese make profits. If we do this, Thai goods will be everywhere in the country. The Thai language, Thai customs, and Thai plays, movies, and songs will spread everywhere in Laos. Even though we have tried to forbid and suppress this, these things have still spread to Laos, because the Lao are ready for these things.

Why have previous Thai governments overlooked Laos? Even our educational system has not made any effort to inform Thai about Laos. Previous school curriculums have contained less about Laos and Cambodia than the United States and England. I don't know whether this was because people were ignorant or because they were misled.

It's wonderful that Thailand and Laos have stopped fighting. But if the leaders of our two countries really want to show how wise they are, they should try to restore friendship and have the two countries help each other economically, educationally, and culturally. Thailand, as the more developed country, should do more. This will benefit both countries. The United States and Japan have been helping Thailand for just a few years. Thailand feels that it has benefited. But actually, it is the United States and Japan that have benefited. Only a few Thai have actually benefited.

Why don't we do the same thing with Laos? When will we have a clever leader like those in the United States and Japan? Are we going to wait for the 300th anniversary of the founding of Bangkok?

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#### **Editorial Hails Democrat Dissident Group**

42070127a Bangkok *SIAM RAT* in Thai 22 Apr 88 p 8

[Editorial: "Praise for the 10 January Group"]

[Excerpts] The 10 January Group, which refers to a group of MPs who belong to the Democrat Party, a government party, has clearly expressed its intention of

opposing the draft revision of the Copyright Act. This revised act would place computer software in the category of protected items. The action by this group is another attempt by these MPs to get the government to realize that in a parliamentary system, if the administration ignores the rules, there will be adverse consequences.

This action by the 10 January Group will probably cause other MPs in the Democrat Party and members of political parties in general to hesitate and consider whether such action violates the customs of a government party, which normally doesn't allow its MPs to oppose the administration in any way.

Please don't forget that the Democrat Party is a large party and that it was once the hope of the people in the sense that it played by the rules in a democratic system. But today, the party is wracked by internal conflicts for no real reason. Thus, the question is whether people will continue to have faith in the party.

If we consider the positive aspects of the actions taken by the 10 January Group, it can be seen that this is a way of having "like cure like." That is, this will bring everything down so that something new can be built. If that is the outcome, that is fine. But how many people will understand the sacrifice made by the 10 January Group? Instead, the members of the group will be ridiculed as being agitators and gangsters.

Regardless of what people say, if the 10 January Group takes this action and as a result this act is defeated and parliament is dissolved, that will be good. Because that will mean that the administration has begun to play by the rules in a democracy. Even though this is a selective action, we would like to hail the 10 January Group for having the courage to do this.

11943

#### **THAI RAT Editorial Raises Doubts Over Chamlong Party Rules**

42070129a Bangkok *THAI RAT* in Thai 4 May 88 p 3

[Editorial: "The Phalang Tham Party"]

[Excerpt] Maj Gen Chamlong Simuang has announced that those who want to run for office in the name of the Phalang Tham Party must adhere to three rules: They must be satisfied with the compensation paid them; they must not purchase votes no matter how wealthy they are; and they must not accept a political position, such as a ministerial portfolio, as compensation for supporting the administration.

This announcement shows that the governor of Bangkok Metropolitan wants to be a leader and serve as an example in playing politics within a moral framework.

He wants people to engage in politics by making sacrifices and serving the interests of the people instead of entering politics to make money or gain power, which is what many politicians have done.

But the stipulation that party MPs cannot accept political positions, such as a ministerial portfolio, is contrary to democracy in a parliamentary system as used in Thailand. Because in our parliamentary system, the political party that holds the majority of seats in parliament must form a government, with the party leaders forming the cabinet.

The political parties in a democratic society are groups of people who share similar ideals, who subscribe to the same policies, and who want to implement those policies in order to solve the country's problems. The party leaders must serve as administrators, that is, ministers. It's doubtful whether a party that refuses to allow its members to become ministers will be able to implement its policies to solve the nation's problems.

11943

#### **BAN MUANG Views 'Green Northeast' Project as Failure**

42070128c Bangkok *BAN MUANG* in Thai  
9 Apr 88 p 2

[Editorial: "The Bloated Isan"]

[Excerpts] The Royal Water Project, in which the military was entrusted with the task of helping northeasterners, who were experiencing serious problems as a result of the shortage of water during the dry season, rejuvenated and gave new hope to the more than 17 million northeasterners who had lost all hope and gave them the strength to confront the tribulations of the drought for the sake of Thailand and their position as Thai.

Based on the results of this royal project, in which the military and other government units took steps to help relieve the suffering, it is clear that the efforts to solve the immediate problems did not solve the problems for good or really relieve the suffering of the 17 million people here. Thus, the army has proposed the Green Northeast Project, a supplementary project to the Royal Water Project that will provide the northeast with sources of water for cultivation and consumption throughout the year.

The Green Northeast Project is the military's plan for protecting the northeast from the danger of political interference and invasion by enemy forces.

It seems that the investments that have been made to develop the northeast will go for naught. It's unlikely that this will help improve the standard of living of the majority of people here. It seems as if the government or units that have carried on these activities have not really been sincere about helping the military, which is directly

responsible for defending the nation's sovereignty. Thus, resolute steps should be taken to revive the northeast at a time when there are no internal enemies. This is why the Green Northeast Project was proposed to the government, a project that won full approval.

11943

#### **Columnist on 'Bandit Terrorists,' Unrest in South**

42070128b Bangkok *BAN MUANG* in Thai  
21 Apr 88 p 5

["Ta Mo Lo" column: "The Policy of Suppressing the Southern Bandit Terrorists Lacks Support"]

[Excerpt] The bandit terrorists have come to life again because of the lack of continuous operations. They have changed leaders, as have the Middle-Eastern Arabs who provide them with money to support their terrorist activities.

We do not have contact with them. Everything has returned to the starting point. Arab groups are again sponsoring the terrorist activities of the bandit terrorists, and we must again suppress this.

I think that we should try to solve the problem on all fronts. As for the Arab groups that sponsor the bandit terrorists, steps must be taken to make them understand, just as was done in the past, so that they stop providing money to support the bandit terrorists.

In the south, there are Islamic leaders who are on the government's side, and the head of the Islamic faith in Thailand can serve as a middleman for us. I think that it should be possible for us to reach an understanding with the Arabs who provide financial support to the bandit terrorists.

As for suppression, those responsible know what should be done. The reason why effective action has not been taken, why things have not been coordinated systematically, and why full preparations have not been made is that the various forces are in a state of confusion. Senior officials in Bangkok have neglected this and not given enough attention to this matter. In particular, the prime minister, who is from Songkhla, has been indifferent about this. What is worrisome today is maintaining the morale of the people. The fact that large numbers of armed bandit terrorists have made repeated attacks and burned buildings is a picture that is ruining morale. As a result of such things, the people are becoming afraid of the bandit terrorists.

Because the situation has now reached this point, the government must provide great support to restore the morale of the people as quickly as possible. It must protect the people in the zones of influence of the bandit terrorists and increase their moral to the point where they are prepared to take up weapons to protect themselves from the bandit terrorists.

The government must support having the military, police, and administrative officials play a role in an efficient and active manner. I think that the units in the region are well prepared. It is the government that is not prepared. It doesn't understand or isn't aware of the problem.

From what I know, there are disagreements among local officials. One group feels that resolute suppression operations should be launched immediately. The other group feels that the bandit terrorists should be treated gently so that they surrender and help develop the country, as was done in the past. This latter group feels that harsh suppression will not achieve anything, because the bandit terrorists will flee across the border into Malaysia, where they cannot be pursued by Thai forces.

I feel that we can use both policies. We can wage suppression operations and open the door for them to surrender and develop the country. The matter of the bandit terrorists fleeing into Malaysia is similar to the matter of Malaysian communist guerrillas coming into Thailand. There is still a chance of cooperating if an effort is made. The government should take steps to get the various units to take serious action.

11943

**Deputy Minister of Commerce Comments on Bloc, Indochina Trade**

42070125a Bangkok KHAO PHISSET in Thai  
16-22 Mar 88 pp 28-31

[Interview with Prachuap Chaiyasan, the deputy minister of commerce: "Trade With the Socialist Countries"; date and place not specified]

[Excerpt] Editorial note: KHAO PHISSET feels that it should publish the views of the deputy minister of commerce, Mr Prachuap Chaiyasan, who is responsible for the country's trade. He has regularly served as the representative of the Ministry of Commerce and as Thailand's representative at international trade conferences. Besides this, he is a senior member of a political party. Thus, these views, based on the experiences of a politician and administrator, should help to explain the relationship between trade, economics, and politics. This should be of great value to businessmen and others who are interested.

[Question] In view of the fact that the socialist bloc is considered to be a reserve market, how much support is the government giving to the private sector in penetrating the socialist market?

[Answer] We are providing support. But those in the private sector aren't really interested, because they aren't paid cash and there are many difficulties. It's not that the government isn't providing support. We are. But private sector trade involves cash and interest. Goods can be bartered or sold to them. But in many cases this

isn't done. We don't know to whom to sell the goods. This is an obstacle. And the goods that they want to sell to us have never been used here. Let me give you an example. If we exchange rice for tractors, Soviet or Polish tractors, we don't know to whom to sell them. If we do sell them, there are no spare parts. There is no service.

Every time a minister from a socialist country comes here, I ask him why his country doesn't establish a center and come show off their goods. The Soviet Union has come. Poland has exhibited goods and sent theatrical troupes. They are trying to do this.

[Question] What about the timber trade and joint fishing operations, in which the Thai private sector has expressed much interest?

[Answer] The Ministry of Foreign Affairs has opened checkpoints along the Burmese border. Burma would be happy to have Burmese goods such as timber enter Thailand legally, that is, by trading directly with the Burmese government. We are ready to do this. We are doing this with Laos. We have opened the Thai-Lao border. And we are prepared to do this with Cambodia if things are peaceful there.

[Question] As for trade with neighboring socialist countries, have any problems been encountered from groups active in the border areas?

[Answer] I have to admit that this border trade is "traditional trading." The same is true even for Malaysia. That is, the people involved are related to each other. They travel back and forth to see each other regardless of relations between the two countries. Their consumer habits have not changed. Those on the Lao side, for example, still eat glutinous rice. They have relatives in Nong Khai and Mukdahan. They cross into Thailand to purchase rice. On the Lao side, they have forest vegetables, meat, and rattan. They sell these goods at the border points that we have established. They cross the river every day. I once went to Tha Uthen District and saw that trade amounts to 400-500,000 baht a day. Both sides have compromised on this. This isn't a problem. As for trade on a large scale, which requires a permit and which requires that goods be exported, we have reached an agreement with Laos. The Ministry of Commerce is monitoring this.

[Question] After reaching an agreement, has anything irregular ever occurred?

[Answer] That is a matter of the private sector. Our private sector has to sell to the governments of those countries. Thus, to protect the private sector, trade practices must be stipulated before the goods are shipped. The letters of credit must be opened, or the money must be paid in advance. People must understand the trade system. They can't engage in trade without letters of credit or money. If the merchants ship the goods to them

and they don't have any money, there is nothing we can do. Everyone must understand international trade practices. Sometimes goods are sold to them, but then they say that they don't have money to pay. They ask if we can come cut trees in payment. Some people believe them and ship the goods to them. But after cutting the trees, they aren't allowed to take them out. Everyone in the private sector must understand and be an expert in trade matters. The government can't do very much to help. It's the private businessmen who are supposed to be the experts.

[Question] Do you think that our trade with the socialist countries will have any effect on our international relations?

[Answer] Everyone trades. There shouldn't be any problem. I have said that the socialist bloc is a reserve market. At present, development is still at a low level. There is no way that we can develop this to equal our existing markets, because that would require that we adjust the structure of our production and trade to fit their needs. We can't do that. We can't engage in counter trade for every single item. Our exports total 300 billion a year. Where would we obtain cash? Trade brings in cash, or foreign currency as this is called. At present, we have approximately \$5.2 billion. We have that amount in foreign currencies and use it to settle our debts. When they open a letter of credit, the national bank must stand guarantee. When the goods arrive, the money is paid to them, and the bank then collects from the private merchants. But the socialist countries have small cash reserves, and the value of their trade is small.

[Question] What if they change their economic-trade structure to match that of the free countries?

[Answer] I hope that they do. The same system would then exist throughout the world. But they have said that their present system is fine and that it does not create any problems. We don't understand their trade. They trade timber for fish and settle their accounts. Another thing is the currency system. In particular, their currencies are not accepted in the Free World. If we accept rubles, we don't know what to do with them. No one wants them. But they can use their currency here. This is not a universal currency. There are two "universes," the socialist universe and the Free World universe.

[Question] What about the effect on national security?

[Answer] This must be kept separate. If things are done at a certain level, that would affect national security. The security sector would come and tell us. Because we are not involved with security. From the standpoint of trade, we feel that we will do everything possible for the benefit of the country.

[Question] Do you think that the stipulations on strategic goods pose an obstacle?

[Answer] That's not a problem. With respect to strategic goods and Laos, actually, Laos and Thailand are fraternal countries. Based on what I have already said, Laos is almost totally dependent on us. They get their money from us. Actually, we don't have to purchase electricity from them. At that time, Laos got the Nam Ngum dam almost for free. They produce more electricity than they can use. They asked us to buy their surplus electricity and we did. But actually, we have sufficient electricity. And the price of their electricity is not cheap. This is a friendship price. We pay them 800 million (baht) a year. The entire country earns over 1 billion (baht) a year. About half of this comes from selling electricity to us. The other half comes from selling timber and various other items. Thailand, on the other hand, exports goods worth 300 billion (baht) a year. That's a huge difference. Thus, as a fraternal country, we are helping Laos to survive. From the standpoint of trade in general, Laos is not one of our markets. But this is of importance to the people who live along the border and who trade with each other daily. If we closed the border, those who live along the border would experience psychological and other problems, because they are used to crossing back and forth.

[Question] Why isn't the private sector interested in investing in the socialist countries? Is it because of the image that those countries have?

[Answer] No. Those in the private sector don't understand how they will get their money or be paid their profit. The socialist countries aren't the only countries in which foreign investors have experienced problems in getting their profits out of the country. Some have had to use those profits to buy land in those countries. They have purchased so much that they own almost all the land in those countries. If they can't get their money out, they have to do something like that. But at least they have been able to sell goods, although they have not been able to get their money out. Take, for example, trade with Iraq, a socialist country. Thirty percent of the profits must be used to purchase goods stipulated by the government, such as chicken, rice, and building materials. Thus, only 70 percent of the money can be taken out. Even factories have problems. That is, they can take out only 70 percent. The other 30 percent must be used there. Even if they don't want to, they must spend it there. This has led to black market problems. When people want to take their money out, they have to smuggle it out. They buy dollars and carry it out. If they are caught, they are put in jail. Their laws, or economic laws, are different from ours. Thailand and many other countries have stipulations on taking money out of or bringing money into the country. They don't prohibit that. They just want to be informed. If we don't inform them, that is a violation. Take traveling to the United States, for example. You can take in a billion dollars. No one will say anything. But before you enter the country, you have to inform them that you are bringing in a billion dollars. Or before leaving, you have to inform them that you are taking a billion dollars out of the

country. But normally, if someone has a very large sum of money, they should not carry it like that. From the standpoint of safety, they should go through a bank. And so if someone is carrying such a large sum of money, officials become suspicious and wonder if it was stolen. From the standpoint of international security, they have to be on guard.

[Question] Do you have any advice or words of warning to those who are interested in trading with the socialist countries?

[Answer] They should study things in detail and understand the regulations and restrictions of every country with which they plan to do business. We can't punish them. Data on this is very important. This year, the Ministry of Commerce has devoted much attention to this. This is one of our policies this year. That is, this year, we have raised the banner of trade intelligence. There will be a seminar on this at Pathaya during the period 24-27 March. Major issues are where to obtain trade data and how to administer things after obtaining data. We have to know what systems these countries have.

11943

#### **Government's Seaboard Development Plans Face Resistance**

*42070129c Bangkok NAEON in Thai  
28 Apr 88 p 7, 14*

[Text] The government plans to change the eastern seaboard development operations. It has stipulated that this zone is a special zone and has established a company to take responsibility for the development of this special zone.

A news source on the Industrial Council of Thailand revealed that the government has drafted a law entitled the "Special Zone Development Act" in order to ensure that things are carried out in accord with the new line. This has now been submitted to the Industrial Council for consideration.

This draft act is divided into four sections and one temporary provision. The prime minister is in control, but a minister will act on his behalf.

Section 1 concerns stipulating the special zone and establishing the company. The important elements of this are: To stipulate, change, or do away with a special zone, a royal decree must be promulgated. After a zone has been designated a special zone, a company must be established to develop that zone.

Initially, the minister who is acting on behalf of the prime minister must form an initial four-man company board composed of government or state enterprise officials. This initial board is responsible for stipulating the rules of the company in written form and getting people

to purchase shares in the company. After people have purchased all the shares, the initial board must call a general meeting of shareholders to elect an additional six board members to join with the original board members in carrying on the activities of the company.

The company must be able to sell shares to private individuals, government units, and state enterprises. But this must be done in accord with the criteria set by the special zone development committee. In carrying on company operations, the board will appoint a general manager.

Section 2 concerns the operations of the company. The important elements of this section are: The company has the authority to own or take possession of assets and enjoy various rights both here and abroad. It has the authority to purchase, sell, rent, rent out, or hire purchase real property. It has the authority to carry on business activities that concern the development of the special zone. It has the authority to make investments, provide services, and collect fees for services. It also has the authority to borrow and loan money and guarantee loans.

Besides this, the government will guarantee the company's debts up to six times the amount of the capital paid, the reserve capital, the reserve funds, and net profit after settlement. At the same time, the company has the authority to prepare a general town plan in the special zone and to purchase, expropriate, and rent land. It can request ownership rights to land and public assets. It can request a transfer of royal property in the special zone.

In cases in which the government has granted a concession or rights to private individuals in the special zone, if it is found that the operations of the private individuals interfere with the development of the special zone, the company has the authority to withdraw the concession or rights of the private individuals even if those individuals have done things in accord with the concession or rights.

As for state enterprises operating in the special zone, if the company feels that it should carry out those activities itself, it can request that the activities be transferred to the company.

A special zone is to be considered a zone where the buildings are controlled in accord with the building control laws. The company has authority based on the building control laws.

In the case in which the owner of land in the special zone violates any of the conditions stipulated by the company, the company has the authority to purchase that land.

Section 3 concerns finances, accounts, and audits. The important elements of this section are: The Office of the Auditor General of Thailand is responsible for auditing

the accounts and finances of the company and reporting the results to the Special Zone Development committee within 120 days after the end of the accounting year.

Section 4 concerns relations with the government. This calls for the establishment of a Special Zone Development Committee composed of a minister appointed by the prime minister, who serves as chairman, up to 9 qualified people appointed by the cabinet, and the secretary general of the National Economic and Social Development Board, who serves as secretary.

The Special Zone Development Committee has the authority to submit ideas on the development of the special zone to the minister who is acting on behalf of the prime minister. It is also responsible for supervising things, evaluating the work of the company, and submitting its findings to the minister. Besides this, the company's main projects and plans must be submitted to the Special Zone Development Committee for consideration and approval.

The important elements of the temporary provision are: The activities, assets, rights, and budget funds of the government units, state enterprises, and local government entities who were carrying on operations in accord with the plans and projects based on the 1985 Prime Ministerial Regulation on the Development of the Eastern Seaboard as announced by the prime minister in the government gazette are to be temporarily transferred to the Ministry of Finance. The Ministry of Finance has the authority to carry on these activities.

After the eastern seaboard has been designated as a special zone and a company has been established to develop this special zone, the Ministry of Finance must transfer the activities to the company. The company must, however, issue common or preferred stock to the Ministry of Finance in compensation.

The Industrial Council has considered the contents of this draft act and approved the act in principle. But it has been noted that four problems may arise:

1. The company has power over private individuals and government and state enterprise officials. It can withdraw the concessions and rights of private individuals, force private individuals to sell their land to the company, and request the transfer of state enterprise activities. Both private individuals and the state enterprises may oppose this.

Besides this, with respect to the state enterprise activities that have been transferred, if these activities are losing money, the draft act does not clearly state whether the company is responsible for the losses. Also, it does not state whether the company takes over as creditor in the case that money is owed to the enterprise.

2. A minister should not be appointed chairman of the Special Zone Development Committee that is established to supervise the company and the operations concerning the special zone. At the very least, a deputy prime minister should be appointed, because he will have to become involved with various units. If the chairman does not have a high enough position, problems may arise in implementing things.

3. In having the company issue shares, the draft act does not state whether consideration will be given to company profits in setting the rate of interest paid to shareholders or whether consideration will be given only to the survival of the company. All it says is that the company will be a legal entity. It does not state clearly whether it is a nonprofit entity.

4. The draft act does not contain measures to supervise or punish the company in cases in which the company uses its powers improperly.

The Industrial Council has sent the draft act to all industrial branches for consideration so that it can summarize the matter and submit the matter to the government.

"From what I understand, industrialists are opposed to giving the company the power to withdraw the concessions and rights of private individuals and forcing them to sell their land to the company," said the news source.

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#### **Khukrit Slams Prem for Malaysia Trade Problems**

*42070127c Bangkok SIAM RAT in Thai 6 Apr 88 p 9*

[“Soi Suan Phlu” column by Khukrit Pramot]

[Excerpts] Thailand used to export large quantities of vegetables, fruit, and meat to Malaysia and Singapore every year. For Malaysia alone, the value of these exports was 3.4 billion baht a year. International trade proceeded quite well.

But now, under the administration of Prime Minister Mahathir, who is said to be an ultranationalist, the Malaysian government has begun implementing protectionist measures against Thai goods. Perishable goods from Thailand, such as vegetables and fruits, are checked very carefully by Malaysian officials. In the past, goods were allowed to enter the country freely. They did not have to be checked.

Perishable goods have to reach the markets quickly. Time is of the essence. Because if there are delays and a long time is taken inspecting the goods, the goods will spoil before they can be sold, which is a great loss to the owner of the goods.

As for sending goods to Malaysia or through Malaysia, there is a joint Thai-Malaysian committee that is responsible for solving the problems and conflicts that arise. But this committee has not met in 3 years, because Malaysia has refused to hold a meeting.

Let's turn now to the matter of fish crates that are used to transport fish from Thailand to Malaysia. In the past, we used wooden crates. But Malaysia has announced that fish from Thailand must be packed in plastic crates produced by Malaysia. It has stated that the fish can no longer be packed in wooden crates produced in Thailand.

The difficulty for Thai merchants is that the wooden crates made in Thailand cost only 35 baht apiece while the plastic crates produced in Malaysia cost 160 baht apiece. The unfairness of this can be seen clearly.

Besides this, fish in Thailand reach the port around 0300 hours. After reaching the port, they must be quickly packed in the crates in ice. At dawn, they are quickly transported to Malaysia. At the tax checkpoint, much time is spent inspecting the fish. Altogether, it takes about 20 hours for the fish to reach the markets in Malaysia counting from the time they first reached the port. During this time, the fish must be kept in ice the whole time. Otherwise, they will rot. Wooden crates keep ice better. Ice in Malaysia's plastic crates melts much faster. The melted ice usually pours out of the crates during transport and so the fish rot during those 20 hours.

Everyone understands nationalism. Even if nationalists become somewhat aggressive, people understand. The nationalistic Malaysian government is taking an aggressive stance toward the Chinese. That is understandable. But it is difficult to understand why they are taking such a stance toward Thailand. Is it because they feel that Thailand's present leader is easily intimidated and threatened?

11943

**Columnist Views Foreign Investment, Low Wages**  
42070127b Bangkok SIAM RAT in Thai 4 May 88 p 9

[“Soi Suan Phlu” column by Khukrit Pramot]

[Excerpt] Speaking about foreign investment, I have frequently heard people claim that the reason why large amounts of foreign capital have been invested in Thailand is that labor here is cheap. I am shocked every time I hear this, because this shows that foreign investors are profiting from the cheap labor of Thai workers.

The wage rate for Thai workers is still low. They continue to live in poverty, because the cost of living in Thailand is increasing daily. In particular, the cost of rice

and other foods is increasing, because this year the price of paddy rose. Because wages are low, which creates difficulties for Thai laborers, foreign investment here has increased.

It's true that this investment will help lower unemployment. But will wages, which concern the people's standard of living and happiness, be kept low without any attention being given to this? In particular, in view of the fact that people, that is, foreign investors, are profiting quite a lot from the low wages here, the picture of financiers oppressing the laborers, which is an ugly picture, will continue to appear in Thailand with no end in sight.

Is the reason why the minimum wage is so low and has not been raised for a long time because it is difficult to get foreigners to invest here, even though laborers have been demanding an increase? If that is the reason, the statement by the prime minister, who said that poverty must be eliminated and that everything possible will be done to increase the incomes of the Thai people, is meaningless and insincere. What he says can't be believed.

It's true that investment in the industrial sector will reduce unemployment in the country. For this reason, investments, regardless of whether the capital comes from within or outside the country, should be encouraged. But at the same time, we should monitor things to ensure that the laborers enjoy a good life and good standard of living and have reliable security and hope for the future. The thing that will bring this about is a wage that is in line with reality and the cost of goods. If all that is done is to provide people with jobs without considering their incomes, standard of living, hopes, and confidence in their lives and occupations, the industrial plants will just be labor camps where laborers have to work because of the pressures of poverty.

11943

**Editorial Cites Ongoing Income Maldistribution**  
42070127d Bangkok SIAM RAT in Thai 13 Apr 88 p 8

[Editorial: “Attention Must Be Given To Distribution of Income”]

[Excerpt] During the past, we have been proud of the figures and rate of economic growth. But at the same time, the majority of the people have begun to wonder why the figures presented by the Development Council, national bank, and Ministry of Finance seem so good while they continue to live in poverty with no increase in their incomes. Looking around, they see huge buildings and more roads being built. They see modern equipment and machinery.

Actually, what the RTA CINC and supreme commander said is true. That is, economic growth and stability has benefited only a few people who are involved in industrial and export activities. The living conditions of the great majority of the country's people, that is, the farmers, have not improved at all. In short, there has been a failure as far as income distribution is concerned. The nice per capita averages are just figures. The income or wealth has not really been shared equally among the people.

We have had six national economic and social development plans. It's time that we reviewed things carefully. We must not lie to ourselves by saying that we have achieved success. We must look at the failures and see if

we have developed things correctly. We must see if the people's standard of living has improved or whether the standard of living of only a few people has improved. We must determine how many people have been helped by the expensive technology that we have purchased.

We feel that we should stop expansion on other fronts and instead take a look at the real condition of society. We must attach importance to distributing the income and wealth to the majority of the people of the country. Because otherwise, we will grow like a sickly person. The majority of the people will lack qualifications and lack standards in maintaining their lives.

11943



## ECONOMIC

### Bai Bang Project Seen Stimulant for Entire Northern Economy

#### Mill Helps Vietnamese Workers

36500105 Stockholm DAGENS NYHETER in Swedish  
18 Apr 88 p 18

[Article by Kaa Eneberg: "Criticized Paper Mill in New Role. Bai Bang Develops North Viet Nam"]

[Text] Bai Bang—"We are not completely satisfied with what we have done, but we know that we really have contributed to the development of the entire Vietnamese society."

Standing in the main office of the plant under an unusually cheerful portrait of the leader, Ho Chi Minh, Trinh Ba Minh, the Vietnamese head of the debated Bai Bang-project, reports, as so many times before, on the situation at the Swedish-built paper mill. The last couple of years, Minh and all the others at the project, nowadays some 80 Swedes, have given much time and thought to defending the fact that this, according to Vietnamese standards, gigantic plant was built in the middle of the rice paddies.

The reason for this is that the original plans, drawn up at the beginning of the 1970's, have continuously had to be changed due to the hard reality of this poor and industrially neglected country. Even nature has played tricks by allowing large stands of bamboo, that were to be used for lumber, to flower and die. They have had to overcome problems unknown to an industrial country like Sweden, such as the Vietnamese workforce being "inefficient" simply because it was hungry.

And who could have predicted that Sweden, which wanted to give Viet Nam the prospect of more paper primarily for education, would today be urging that part of the paper production be exported? This has become a necessity in order to obtain needed western currency, since all the countries in the West, except Sweden, have halted their assistance because to the Vietnamese military presence in Cambodia.

No other Swedish assistance project has been so closely scrutinized by experts, people from SIDA (the Swedish International Development Association) and the media as this plant which, when it is finally turned over to the Vietnamese in 1990, will have cost the Swedish taxpayers 2.5 billion kronor. On the other hand, no other project has given equally good dividends economically for Sweden and Swedish industry, since over 80 percent of the bill has been paid to Swedish companies and personnel for Swedish goods and expertise.

### Modest

Since he took part in the planning stage, it is not clear why Minh appears so modest to a group of Swedish journalists. It may be due to his Asian reticence and to the fact that he expects criticism on the part of the Swedes.

As far as results are concerned, the Swedish paper mill with its various plants which have grown to a complete countryside development project in the middle of the wilderness, constitutes a giant step in the development of Viet Nam. Tentacles from the project, among them the building of roads and railroads and nowadays even the institution of health programs, stretch beyond the actual industrial area and the Vinh Phu province towards the Chinese border, since the northern provinces of Hoang Lien Son and Ha Tuyen are now considered part of the extended lumber providing area.

When it was decided on in 1974, the year before the actual end of the war, the mill constituted a large symbolic project aimed at demonstrating that even the industrially neglected North Viet Nam could manage a modern industry. Because of the Americans, the South did have an industry.

The production of paper had a symbolic value in itself, since the socialist state had committed itself to 90 percent literacy, something unique for an underdeveloped country today. Comparisons were made between the Swedish annual consumption of paper, 240 kg, and the Vietnamese 1 kg. Those were goals that also suited the assistance ideology in Sweden at the time, even if the Conservatives opposed aid to a socialist state towards which even the U.S. refused to honor its obligations, among them war reparations.

### Replanting

With the help of a Vietnamese workforce, about 25,000-30,000 metric tons of white paper are being produced at Bai Bang, some of it has even been exported. As a direct consequence of the factory and its needs, the difficult living and working conditions of the lumber providers, about 15,000 lumberjacks, have been realized and steps have been taken to improve them.

With Swedish help, an extensive replanting program has been started, not only to ensure the availability of lumber but also to prevent an environmental catastrophe lurking in the future. It is caused by the extensive devastation of the forests due both to the intensive logging and to the need of the rapidly growing population for firewood and arable land.

"A definite improvement for the whole countryside, not only for the paper industry," say the Swedish experts, Karl-Erik Hoff, a paper engineer, Arne Hedin, a forestry expert and Bertil Johansson who is a consultant at the mill.

The Swedish technicians, who came to this poor country in order to start a modern paper factory, have also been forced to broaden their outlook as the project has grown in size. Nowadays a sociologist, Eva Lindskog, is part of the project. She is responsible for advice to the hard-working Vietnamese in the forests, 60 percent of them women, helping them to achieve better living and working conditions.

Eva Lindskog, who is following up on Rita Liljestrom's report, published last winter, on the situation in the forest, says that "previously most of the time and energy were spent on getting lumber for the mill, now we also assume a social responsibility." Liljestrom has even coined the phrase "socio-economic forestry." The women's difficulties were first given attention in a 1985 report by the SIDA-consultants, Katarina Larsson and Lars-Erik Birgegard.

The large plant, which many have likened to a Swedish factory-town of 100 years ago, is beautifully situated, surrounded by clear-cut rolling hills, a couple of hours travel northwest of Hanoi. You find yourself in the historical cradle of Viet Nam, the land of the Hung-kings 4,000 years ago. This "Northland" of Viet Nam has been developed with, among other things, rice cultivation, in order to keep up with the increased population pressure from the Red River's 15,000-year old cultivated delta.

White paper, intended for export, spurts from a paper making machine, less refined, grayer paper from poorer quality pulp for domestic consumption comes from another. The raw material comes from bamboo and the domestic deciduous tree, *Styrax*. The pulp wood warehouse is well filled.

Where the bark is removed from the logs, there are heaps of waste that will be distributed as fuel to the people in the area. Workshops, a chemical plant, water treatment plants and fuel storage are also part of the mill.

#### Swedish Model

Nearby is the new trade school, where the first batch of paper technicians will soon be graduating after 2 years of instruction.

The trade school, based on Swedish models, is unique to Viet Nam and is a direct consequence of the factory, which so far has educated thousands of Vietnamese on site. Most of them can be found in older, less sophisticated paper mills around the country. In the north there are several Chinese mills and in the south there are mills built while the French were there.

The fact that trained personnel rapidly disappeared, was at first viewed as "waste" by the Swedes, but it has now been realized that the factory has functioned as a school for the whole country. It is even said that there are Swedish-trained Vietnamese technicians active in other countries.

In the surrounding area, 500 two-family houses are being. Arrangements had previously been made to house those employed in the mill.

There are also daycare centers and schools for the children of the employees, but they are of obvious poor quality with insufficient supplies and a small untrained staff.

Lime and lumber are being unloaded from barges in the new port on the river Song Lo. A number of rafts with simple straw huts float on the river, on which they carry the lumber from the forest to the mill. A trip takes 4 days.

It is an idyllic sight, and only the tales of the Swedes and the Vietnamese illustrate the hardships behind the activity and describe the daily problems. Troubles which through the years have led to costly delays in production.

In regards to the much debated waste of lumber—according to Mr. Minh 30-40 percent of the logging is natural waste—it is said that the Vietnamese government has found it difficult to manage the wages for the craftsmen. So they assumed that they had the right to get a little extra money by selling part of the lumber.

Some of the lumber also disappears simply as firewood, something the Swedes are trying to curtail, partly by planting trees for that purpose and partly by importing fuel-efficient clay stoves.

Eva Lindskog relates how they, besides improving the family economy for the lumberjacks, are also trying to strengthen the economy of the government projects by providing smaller saws, giving them a direct income and allowing them to manage their responsibilities towards the lumberjacks. A certain prioritizing of the wages, food rations and housing needs of the lumberjacks has already been created. Greater importance has also been given to the workers' own farmlands, in the middle of March, when the rice is planted, there was less logging.

The supply of lumber to the mill is already considerably improved, but it is still estimated that the mill will find it difficult to obtain raw material during the next couple of years. Production will probably decline for a time.

The Swedish efforts are nearing fruition—the mill will be transferred in June of 1990. Swedish experts believe that the Vietnamese will be able to run the mill on their own. Certain assistance will be needed—30-40 million kronor annually for such items as lubricating oil and spare parts.

#### Rice And Ready Money

Bai Bang—Wages for government employees—all of those working in the Bai Bang mill and doing the logging—are paid in cash and a certain amount of rice depending on the nature of the work.

Consequently, the well-educated principal of the trade school, Nguyen Thuong, receives less rice, 14 kg, as an administrator, than a younger welding instructor, who gets 2 kg more. His contract salary is usually also less than, for instance, that of a millman who can earn 20,000 dong per month.

All winter the problem has been that the government has not been able to deliver the rice. Most of the people that the DAGENS NYHETER (DN) interviewed had only received half of what they were supposed to get. No one complained openly, but as late as this March the lack of rice was still noticeable, despite the fact that the mill had traded paper for rice from the south.

Answers were given to direct questions, however. They all admitted that they had not received their entire rice ration for a long time, simply because there was no rice. DN visited a house where the owner, with some hesitation, lifted the lid of his well-secured rice-chest, it was nearly empty.

"Well, if there were more rice, the production at the mill would probably increase and the teaching at the school would improve," said the man.

Food is served at the trade school, but according to reports not enough, due to the scarcity of rice.

The price of rice in the free market was 10-15 times higher than that set by the government, 50-75 dong.

On several previous occasions during the development, Sweden was able to find extra rice for the workers. Once when Swedish experts criticized the performance of the Vietnamese workers, it was found that they were simply hungry.

The rice is most often kept in large chests in the middle of Vietnamese farmhomes. The chest occupies a place of honor and is decorated with the treasures of the house, mementos and perhaps a portrait of the Nationalist leader, Ho Chi Minh.

12339

### **Thai Businessman Warned About Fraternization Law**

*42070124 Bangkok NAE0 NA in Thai  
25 Apr 88 pp 7, 14*

[Text] A news source in the Vietnamese embassy in Bangkok told NAE0 NA that at the beginning of April, a Thai businessman created a scandal in Ho Chi Minh City and was temporarily detained by the Vietnamese secret police.

This Thai businessman is a section chief in the international trading company of a group of leading Thai businessmen who want to pave the way for trading with Vietnam in the future. This businessman was sent to Ho

Chi Minh City to contact the Sea Products Company, a company established by the Vietnamese government for the purpose of carrying on marine products business activities with foreign businessmen. He went there in order to propose implementing a joint marine products production and trade project with the Sea Products Company.

But while in Ho Chi Minh City, this businessman secretly left his hotel and went to the home of a Vietnamese woman, who happened to be an official of the Sea Products Company. He went there around 2200 hours. Around 0200 hours, the secret police of the Vietnamese government asked him to come out. They detained him temporarily and explained to him that according to Vietnamese law, foreigners cannot visit the homes of Vietnamese. And Vietnamese cannot visit foreigners in their hotel rooms. They may meet only in the public area of the hotel lobby. The police did not detain him for very long. After explaining the law to him, they released him and allowed him to return to the hotel.

This official of the Sea Products Company used to work in the Ministry of Foreign Affairs. She was later transferred to the Sea Products Company, where she worked as an interpreter. She was responsible for contacting and coordinating things with businessmen from Thailand, because she is fluent in the Thai language.

After this happened, Vietnamese officials sent a letter to the managers of every company of the Vietnamese government informing them about what had happened and instructing them to be careful.

"Actually, this Thai businessman knew what the law was, but he went to her house nevertheless. Because the interpreter is very important. He wanted to fraternize with her in order to make use of her when doing business," said the news source.

The news source also said that normally, each of the Vietnamese companies that engages in business with foreign companies employs several interpreters, each of whom is responsible for coordinating things with businessmen from specific countries. For example, the Sea Products official whom the Thai businessman visited at home was responsible for coordinating things with Thai businessmen. She knew the secrets of each group of Thai businessmen. She knew what proposals each company had made to the Sea Products Company.

Another reason why interpreters are important is that foreign businessmen must negotiate with the managers of the Vietnamese companies through the interpreter. Thus, the interpreter is very important to the success of the negotiations. If the interpreter does a good job and wants to help, the negotiations have a good chance of succeeding. But if the interpreter wants to be mean, problems will arise immediately.

"This is why some Thai businessmen have tried to forge links with the interpreters of the Vietnamese companies. This is an erroneous view. If they use the methods of the liberal countries in their dealings with Vietnamese companies, there will definitely be problems," said the news source.

As for Thai businessmen who want to do business with Vietnam, the news source said that today, several groups have made contact, including the group of Gen Chuthai Saengthawip and Mr Bunsin Chatuphruk, the group of Mr Wong Phonnikon, the group of Mr Wichan Sirichai-ekkawat, the group of Mr Phiraphon Triyakasem, and the Charoenphokphan group. The Charoenphokphan group uses officials to make contact, with these officials doing so in their own name.

11943

#### **Regulations Issued on Opening Foreign Exchange Accounts**

42090177A Hanoi LAO DONG in Vietnamese  
5 May 88 p 7

[By Nguyen Xuan Canh, Vietnam Foreign Trade Bank]

[Text] On the basis of Council of Ministers documents dated 8 August 1987, the Vietnam Foreign Trade Bank has promulgated Decree No 124/QD-NHNT: "Regulations on accounts for depositing foreign exchange remitted by Vietnamese cadres, workers and students who are on official business, working, or studying abroad" (called in brief "foreign exchange deposit accounts").

According to those regulations, all Vietnamese citizens who are on official business, studying, or working abroad who remit foreign exchange to a bank via a Vietnamese organization or organ abroad that is authorized by the bank, has someone bring money back to Vietnam, or brings money back to Vietnam when they complete their tours abroad and make a declaration with Vietnamese Customs at the port of entry, as well as Vietnamese citizens who have received foreign exchange from foreign countries in payment for royalties, performances, or consultation, may open foreign exchange deposit accounts at the Vietnam Foreign Trade Bank.

There are two kinds of accounts: open-ended foreign exchange deposit accounts and term foreign exchange deposit accounts. The depositor may open either of those accounts, or open two accounts at the same time. Specifically:

a. Open-ended foreign exchange deposit accounts: the depositor may make many deposits and withdrawals, at any time, and receive interest (in accordance with Supplementary Regulations No 75/QD-NHNT, dated 20 April 1988).

b. Term foreign exchange deposit accounts: 1 month, 3 months, 6 months, and 12 months. Money is deposited one time and is withdrawn one time, at the end of the specified term. If the money is withdrawn prematurely, it is regarded as having been deposited for a shorter term. In order to change the term of deposit, the depositor must inform the bank at least 2 days before the end of the term. With regard to this kind of deposit, the one-time deposit may be \$100 or more, or an equivalent amount of other foreign exchange.

If the deposited money is not withdrawn at the end of the term, the Foreign Trade Bank will automatically extend the account for an additional term.

At present, the Foreign Trade Bank is prepared to open accounts for depositing the following kinds of foreign exchange: U.S. dollars, English pounds, French francs, Swiss francs, Canadian dollars, and Japanese yen. The depositors may make deposits in cash or by means of bank transfers or instruments with foreign exchange value. With regard to instruments with foreign exchange value, the Foreign Trade Bank will only accept types of foreign exchange which can be converted immediately or through a third party.

With regard to the interest rate and the method of calculating interest, the regulations state that the interest rates for open-ended foreign exchange deposit accounts and term foreign exchange deposit accounts are set and announced by the director of the Vietnam Foreign Trade Bank for each period of time (with reference to the interest rate situation on the world market.)

With regard to cash, the effective rate for calculating interest is the day on which money was deposited in the account. With regard to bank transfers and instruments with foreign exchange value, the effective date is the day on which the Foreign Trade Bank records deposit of the funds into the account of the depositor.

Interest will be calculated to the end of the term. It will be calculated on the basis of the actual number of days of the deposit—30 days a month and 360 days a year—at the interest rate that was set at the beginning of the term.

The depositor may withdraw funds (both capital and interest) to exchange for Vietnamese money at the exchange rate, plus a 10 percent bonus; transfer funds to pay for goods or services to commercial organizations which take in foreign exchange; transfer funds to relatives in Vietnam or abroad; transfer funds abroad to purchase goods; or take along foreign exchange when allowed to travel abroad (on official business, for tourism, etc.) to meet expenses.

In the event that another person is authorized to withdraw funds on behalf of the depositor (capital and interest), the depositor must fill out a "power of attorney" form at the bank, and the depositor or the authorized person must fill out a withdrawal form and present

identification. If the depositor is abroad, he or she must authorize a relative in Vietnam to do business with the bank in order to withdraw funds for them.

The deposits are not taxed, but the depositor is responsible for all expenses involved in the transaction, according to the system of fees of the Vietnam Foreign Trade Bank.

When opening a foreign exchange deposit account the depositor must follow the following procedures:

Submit an application to open a foreign exchange deposit account (by using a pre-printed form).

Register the depositor's signature at the bank (by using a pre-printed form).

The above are the basic features of the regulations. For further details, contact the Vietnam Foreign Trade Bank.

5616

### **Unpaid Debts, Lack of Contracts Impede Import-Export Task**

42090181b Hanoi QUAN DOI NHAN DAN in Vietnamese 9 May 88 p 3

[Article by Ngoc Nam: "Many Problems in the Production of Goods for Export Remain Unresolved"]

[Text] We are now in the second quarter of 1988 and yet almost all import-export general corporations have not paid off all of their 1987 debts, which they owed the production installations, nor have they signed contracts with all production installations yet for the purchase of goods for export in 1988; consequently, the results obtained from fulfilling the first-quarter export plan have been very poor.

What was the reason behind this situation?

### **Debts Reach Very Worrisome Level**

In the first months of 1988, people from localities and production installations everyday came to the offices of import-export general corporations to request that they quickly pay for the goods that they had exported in 1987. Many people from the southern provinces came to Hanoi "to knock at the door" of almost all general corporations "to ask for payment of debts." We were informed that their indebtedness had reached a very worrisome level. The three import-export general corporations of the Ministry of Foreign Trade—Handicraft and Art Articles, Sundries, and Bamboo and Rattan—still owe about 35 million (rubles of materials), with the Handicraft and Art Articles Import-Export General Corporation alone having debts totaling nearly 20 million.

The Agricultural Products Import-Export General Corporation owes more than 6 million. The Textiles Import-Export General Corporation owes up to one-third of the value of its export. And so on.

The production installations that make goods for export have encountered many difficulties of all kinds because of the failure of the central import-export general corporations to pay them for goods and materials. First of all, these installations have consequently been unable to pay back in time the loans they borrowed from the bank for production and must now pay very high interest for the overdue balance; furthermore, they cannot continue to borrow capital from the bank for their production. Here are some figures: If they borrow money within the limits allowed and pay interest in time, the rate of interest will be only 2.3 percent, but if they pay after the due date, the rate will be raised to more than 10 percent; the later payment is made, the higher the interest payment will be, and it is the production installations that must pay more interest even though the reason behind this situation is the failure of general corporations to pay back what they owe the production installations.

Secondly, production is adversely affected because production installations do not have capital to purchase materials and raw materials and to pay their workers' wages. At the present time, many production installations that make handicraft and art articles, bamboo and rattan woven articles, woolen and jute rugs, and so on either have temporarily ceased production or are producing at a very reduced pace because they are waiting for the general corporations to pay off their debts in order to get the capital they need to continue production. Hundreds of thousands of workers producing goods for export either have no jobs now or face instability; as a result, they are encountering hardships in their daily life.

### **Reasons for Prolonged Indebtedness**

In 1987, the organs that had the responsibility for giving guidance to central import-export general corporations and the import-export sector applied the formula of noncredit purchases and sales to making purchases of goods for export and exploiting the sources of supply. In order to carry out this formula general corporations would have to secure state insurance for these conditions: They should have enough money and materials proportional to the production plans assigned to them to supply in time to production installations and be able to determine appropriate purchase prices to be accepted by producers. But in reality they were unable to apply the formula because they had not been supplied with enough money and materials and because the purchase prices set by the responsible organs were too low, which were turned down by production installations as inadequately too low for the latter's production costs.

To deal with that situation the Ministry of Foreign Trade then permitted the general corporations to apply the formula of letting localities entrust them with export so

as to get enough goods for export to implement the protocols that our state has signed with the fraternal countries. This was the way the formula would work: Localities would use their own capital and take care of getting the materials necessary for the production of export goods. They would entrust the general corporations with these goods and with exporting them in their behalf, and they would be entitled to a share of foreign currencies to be set by the state for importing materials and raw materials they would need to maintain and expand their production. At that time the formula helped to resolve the capital and materials difficulties of the general corporations and the problems having to do with prices for both localities and production installations.

Thanks to it the production installations had enough goods to fulfill their 1987 export plans, in spite of their shortage of capital and materials.

If the foreign currencies obtained from the sales of export goods produced by the localities and production installations were expended in accordance with the rules the state had prescribed for the formula of entrusted export (i.e., production installations would be entitled to spending a share of foreign currencies to import materials and raw materials), the general corporations would be able to fully pay back to the production installations. But the trouble and problems arose from this: Right at the beginning of 1987, the responsible organs were acting only on the basis of the noncredit formula, and the entire amounts of foreign currencies obtained from export therefore were expended for the country's immediate needs. When it became necessary to apply the entrusted-export formula, there was not enough time to restore balance in the use of foreign currencies. Consequently, the general corporations so far have not had the money and materials to the localities and production installations. We have learned that early this year the responsible organs and the Ministry of Foreign Economic Affairs met and discussed the situation in order to take appropriate measures to resolve it, which the Council of Ministers has allowed to carry out in order to create favorable conditions for the general corporations to quickly pay off the 1987 debts and for the localities and production installations to maintain and expand their production of export goods.

#### **Difficulties in Signing 1988 Contracts**

In order to fulfill the goals set by the state in their 1988 import-export plans, right at the end of 1987, the import-export general corporations had to speed up the signing of import-export contracts with other countries and export goods purchase contracts with the production installations in the country. To look for foreign markets for our export goods was not an easy thing to do under the prevailing conditions of the strongly developed world economy today. However, the dynamic action of many general corporations allowed them to know the consumption needs of customers and thus to succeed in

signing many export contracts. So far the Handicraft and Art Articles Import-Export General Corporation has signed export contracts even for 1988. The Sundries Import-Export General Corporation has signed export contracts with many countries, including the ones that agreed to increase by 7 times the value of import from our country in 1988 as compared to 1987. The Textiles Import-Export General Corporation (Ministry of Light Industry) has been assigned additional goals of exporting ready-made clothes and other goods, too. This reality proves that many of our export goods still satisfy the increasing consumption needs in the markets of other countries. But at present, the greatest difficulty our general corporations are encountering is the fact that they have not yet signed export goods purchase contracts with all production installations. The main reasons are still the problems that have to do with the formula for purchases of goods and exploitation of the sources of supply. According to guidelines from the superior organs, the general corporations are to apply the non-credit formula to purchasing goods, but so far they have not yet received enough money and materials themselves to make purchases and the state has not been able to determine rational purchase prices, which has made the production installations reluctant to sign contracts. Presently many localities (mostly the southern provinces) wish that the state would allow them to apply the entrusted export formula. It was because of those outstanding problems that some general corporations which wanted to have the necessary goods to fulfill the export goals set for the first quarter of 1988 had to busily negotiate with, persuade, and make proposals to the localities so that the latter would "understand," "temporarily sign" the contracts, and deliver their goods in advance of an eventual solution; however, in spite of what they had done to get the goods, the results obtained from export in the first quarter this year were still poor. These are some actual figures: The Handicraft and Art Articles Import-Export General Corporation has so far fulfilled only 68 percent of the export goal compared to the first quarter of 1987 and only 10 percent of the total export plan for 1988. The Textiles Import-Export General Corporation (Ministry of Light Industry) has so far fulfilled only two-thirds of its first-quarter plan, with delivery of all of the export goods it normally exported but without the ready-made clothes which lately were included in its export goals. In the case of the Sundries Import-Export General Corporation, although it delivered all that the first-quarter plan required, up to two-thirds of the goods delivered came from the reserve stocks it had at the end of last year rather than from any 1988 sources of supply.

#### **Things To Be Resolved Right Away**

On the basis of the current problems in import-export we propose that the responsible organs, along with the Ministry of Foreign Economic Affairs, consider, carefully weigh the good and the bad of, and promptly decide about a formula for purchases of export goods suitable for our country's economic conditions. If the state can

ensure supplying in time enough capital and materials to the import-export general corporations, set purchase prices sufficient to cover the costs of production, and have the production installations accept such prices, it can force the general corporations to adopt the noncredit formula of purchasing goods. If the state felt incapable of doing so now, it should allow the general corporations to apply the entrusted export formula and to implement the rules about using part of the foreign currencies to buy materials, raw materials, and production equipment as the state policy dictates. In the case the state can ensure supplying only some capital and materials, it can require the general corporations to sign some contracts based on the noncredit formula proportionate to the capital and materials it can supply and permit them still to apply the other formula, i.e., to be entrusted by localities with exporting the latter's goods.

In addition to resolving this matter, we also propose that the responsible organs consider resolving the irrational aspects of purchase prices of export goods and import-export taxes and determine the rates of foreign currency exchange, for all of these matters do interact.

We are now in early May and have only 7 more months to go till the end of 1988. All import-export general corporations, localities, and production installations are eagerly waiting for decisions from the superior echelons in order to quickly use every available potential and to urgently step up the exporting task so as to properly fulfill the 1988 export plan.

5598

**Minh Hai Province Antismuggling Activities**  
*42090181a Hanoi NHAN DAN in Vietnamese*  
6 May 88 p 4

[Text] (VNA)—During a recent period, Minh Hai Province's economic police, market management, and tax forces, with assistance from the people, discovered 1,500 cases of smuggling and seized quantities of goods valued at 46.2 million dong, which were put into the state budget. They included a number of serious cases of smuggling, speculating and hoarding, competing in the purchases and sales of goods to raise prices, colluding for thefts of passenger cars and buses, and doing illegal long-distance business in the kinds of goods under unified state management.

However, due to the fact that management has been neglected at the root level, i.e., where two-way economic contracts were signed with production installations, and remains ineffective, the people frequently find market-places closed and are forbidden to cross rivers, a situation that prevents the circulation of goods and causes inconveniences to the movement of people.

5598

**Reasons for Tax Collection Short-Fall**

*42090178A Hanoi NHAN DAN in Vietnamese*  
4 May 88 pp 1, 4

[Article by Hong Khanh and Anh Dung: "Why Is There a Big Short-Fall in Commercial Tax collections?; The Deficiencies and Negativism of Tax Cadres"]

[Text] With a spirit of looking directly at the truth and correctly evaluating their true nature, many heads of provincial and municipal tax departments and the heads of precinct and district tax offices have affirmed to us that "At present, the industrial-commercial tax cadres in general and the commercial tax cadres specifically are still weak professionally and, no less important, are degenerating with regard to moral quality. If they are not promptly strengthened and improved, it will be difficult for them to ensure the collection of taxes during the remaining quarters in correct accordance with this year's plan."

Indeed, the more closely one investigates the tax stations and teams at the large markets and transportation hubs, and on streets on where lively buying and selling takes place, the more clear it becomes that the work of the tax personnel is very complicated and varied. The work objects of each tax employee is hundreds of merchants, including large, medium-size, and small merchants. At times they must collect hundreds of thousands of dong of taxes from the large and medium-size merchants for the state, and at times they must scrape together tens of dong in taxes from the small merchants. Those hundreds of merchants include old people and young people, men and women, some of whom strictly observe the law and some whom are dishonest and cheat on taxes. That is not all: hundreds of those merchants are retired cadres, demobilized troops, disabled veterans, family members of war dead, and members of families covered by the policy. Because they work with all those categories the tax personnel at the basic level must grasp the policies, laws, and tax tables, and must know how to uncover the merchants' sources of commercial income, for only on that basis can they grasp the actual situation and rationally and fairly regulate the merchants' income. Thus, in the final analysis, the tax personnel and the basic level not only must have expert professional knowledge but must also know how to do mass proselytizing work.

What is the actual situation at present with regard to tax cadres? According to statistics of the Ministry of Finance, by the end of 1987 there were 22,403 commercial tax cadres and personnel in the nation, of whom 2.5 percent are college graduates, 14.5 percent are high-school graduates, and 49.5 percent are elementary school graduates, while more than 33 percent have not received training. Politically, 22 percent are party members and 41 percent are members of the Ho Chi Minh City Communist Youth Union.

On the day we visited Sat market in Hai Phong, one of the largest trading centers in the nation which, as one person said, "sells everything but missiles and jet airplanes," we could not but be surprised when we learned that of the 27 people at the tax station there, only three had been trained at a middle-level financial school, while most of the rest were "journeymen" who had been on the job only 3 or 4 years. The head of the Hai Phong tax branch said that the tax office of Hong Bang Ward did not have any tax cadres who had been trained at a mid-level school, and with regard to the professional skill of the tax cadres in the port city, about 50 percent are weak. Because they are weak professionally, when contacting large and medium-size merchants, some cadres and personnel often must find ways to negotiate. In collecting taxes, it is a big mistake to negotiate with merchants, for the result will be unavoidable short-falls.

The second deficiency is that a considerable number abuse the tax work to enrich themselves, collude with blackmarketers and tax evaders to divide up profits, are arrogant and haughty, and violate money-goods management regulations. In many wards and districts we heard evidence that a considerable number of tax cadres and personnel—in some places 20 percent and in other places nearly 30 percent—who at first had the same living standards as other ordinary workers, after a few years of doing industrial-commercial tax work became the richest people in the area. In 1987 the industrial-commercial tax sector, after uncovering a number of negative incidents, disciplined nearly 450 people, among whom 110 cadres and personnel were dismissed and 19 were subjected to criminal prosecution. The most widespread negative phenomenon (6 to 10 percent of the violations that have been uncovered) is embezzlement, i.e., they collect tax money but do not turn it in, so that they can use it to do business or lend out at interest.

Those two deficiencies are the principal reasons for the short-fall in tax collections, with regard to both commercial income and the number of merchants. Facts obtained in many places show that when tax cadres are taken advantage of by dishonest merchants they will later be taken advantage of 10 or 20 times over by the dishonest merchants. Just as many people have observed, "Some dishonest merchants have put rings in the noses of some tax cadres!"

#### Cooperation Is Now on the Outside

When speaking with us, the head of the Hanoi tax department expressed regret that during the first quarter there was no all-around, close cooperation from top to bottom, between the party committees and governmental administrations at the basic level, and among such relevant sectors as the finance, market management, public security, and price sectors, for Hanoi could have collected 400 million dong in additional commercial taxes equal to nearly half of the total amount of money invested in bonds by the capital's population during the first cycle.

To be fair about it, the cooperation among the relevant sectors already exists, but most of the cooperation is one the outside and is not yet deep, along the lines of unity and centralization and in correct accordance with the principal categories and the key locations. Here and there the situation of the sectors "turning their backs" on one another still exists. For example, the tax personnel want the merchants to display their goods openly so that their incomes can be determined, but the market management and public security and order police want them to reduce their displays. With regard to the payment of taxes, many places want to allow the private merchants to pay taxes directly to the bank, in accordance with a notice by the tax sector, to speed things up and prevent negative acts on the part of tax cadres, but a considerable number of local banks are not yet ready to assume that responsibility. The tax personnel want the individual merchants, especially the large and medium-size ones, to keep books and do accounting in accordance with guidance by the financial sector, but a considerable number of subward and village administrations ignore that necessity. Why? Inquiries in a number of places have indicated that at present private merchants who do business in the subwards and villages must, in addition to paying monthly taxes (although still too low in comparison to actual commercial incomes), occasionally pay all sorts of "fees" amounting to a considerable amount of money, such as for "receptions" in the subwards and villages, "repairing sewers," putting up additional market stalls, etc. The tax receipt documents are closely managed by the vertical sector. As for the "fee" collections, they depend on local customs, and are thus very arbitrary. Therefore, much of the tax collections from large and medium-size merchants has been dispersed and not concentrated in the budget to unify management and regulate use. That is also an opening which bad people can exploit to do dishonest things. That situation has resulted in some places in a provinces, or cities in the same province, having the same conditions regarding trading, goods, and capital, and the same tax schedule, but the large and medium-size merchants in some markets and subwards paying tens of thousands of dong in taxes more than large and medium-size merchants in other markets and subwards, which causes comparison and jealousy among the merchants and among the subwards and villages, as well as suspicion of the state's tax policy.

The leadership and guidance of a number of party committees and governmental administrations with regard to the commercial tax work have also not yet received adequate attention. Some people leave that task to the tax sector and the financial sector, and are heavy on demanding collections and light on developing sources of collections in places experiencing large short-falls. At a time when prices were increasing rapidly, during the first 6 months of 1987 some localities did not adjust economic taxes a single time. The combined use of the economic, educational, and organizational measures lacked harmony and was incomplete. In some places there has been a rightist tendency and a failure to



deal strictly with merchants who even dumped bowls of noodle soup on the heads of tax personnel who came to do their duty, and used a carrying pole to injure the leg of someone who went to collect commercial taxes at a place where contraband was being stored.

That cooperation on the outside is sufficient to answer the question of why, although we have a governmental administration and have vertical and horizontal management sectors, in all subwards and neighborhoods there are still many merchants who slip through the tax collection net. According to a recent survey in Hoan Kiem Ward (Hanoi), there were 8,500 merchants in the ward, of whom only 5,000 were on the tax books. The rest were slipping through the net. Of those who slipped through the net, 1,000 did business in the "under the table" manner and were managed by no one, and 2,000 were small merchants. In Ho Chi Minh City, at present there are still nearly 1,000 "life enterprises" organized by the party, governmental, mass, and social organizations. Those "enterprises" also engage in long-distance and short distance commerce and make use of a considerable number of private merchants who are skilled and have much capital, in the form of "using them to transform them." Furthermore, there are several thousand large and medium-size merchants who hide in the shadow of "commercial cooperation" and "economic alliances." That is also clearly one reason why in Ho Chi Minh City, which is the busiest commercial and consumer goods distribution center in the nation, only about 8 percent of the merchants are classified as large or medium-size, while in Dong Nai and Song Be they account for 25 to 30 percent of the total, in Hanoi they account for 28 percent of total, and in Hai Phong big merchants account for 18.3 percent of the total and medium-size merchants for 18.6 percent.

#### New Worries

The more one investigates the actual situation at the basic level the more clearly one realizes which places are dynamic, which places are sluggish, what the problems are, and what aspects and tasks require prompt resolution by the relevant sectors. During a recent investigation of commercial taxes, we noted that the following worries had just emerged at the basic level:

1. Recently our party and state promulgated a number of policies to enable the state installations to exercise their right of initiative in production and to fully exploit the capabilities of the other economic components. That correct policy will of course result in the social market having increasingly larger quantities of goods, and the expansion of the circulation of goods will increase. That will result in a more or less corresponding increase in the number of merchants, and the objects of commercial tax collection will become more complex and varied. However, at present the tax personnel lack organization, are deficient professionally, and lack moral qualities. Only about 30 percent of the tax personnel at the basic level are capable of fulfilling their responsibilities. How, then,

can they correctly, fully, and promptly collect every month tens of billions of dong in industrial-commercial taxes, 60 percent of which will come from large and medium-size merchants? During the past quarter, although only about 60 percent of the plan norm was attained, that amounted to an average of 350,000 dong per tax cadre per month. If taxes had been collected in accordance with the policy and the plan, each cadre would have had to collect nearly 700,000 dong a month. However, there was insufficient material incentive, i.e. the salaries of tax cadres and personnel were still low (except for those who abused their authority, colluded with private merchants, and embezzled tax money). The actual situation at present is that tax personnel who are hard-working, loyal, and honest, and fulfill the plan, are paid salaries that are no higher than those paid in areas which attain only 30 to 40 percent of the plan. Some people are of the opinion that tax personnel should be paid salaries based on the amount of taxes collected in each locality and basic unit. The reasoning behind that opinion, which is held by many people, is that it is better to spend a few thousand dong on the tax cadres (those who do a good job and are honest) than allow a tax collection short-fall of tens of millions of dong every month. In fact, a number of cases at the basic level have shown that "If the state cannot take good care of the tax personnel, the private merchants will." But some people think that although basing salaries on the results of tax collection is the right idea, under the present conditions we cannot yet do so, for that would require skilled guidance and management cadres from top to bottom, for otherwise the policy would be a two-edged blade: the actual situation has demonstrated that if tax collection is contracted out to subwards and villages, and tax cadres are assigned to the subwards and villages, if the party committees, governmental administrations, and party organizations are not pure and strong there is a tendency toward favoritism, covering-up, short-falls in tax collections, and failure to fairly regulate incomes because people from the same areas, relatives, etc., cover up for one another.

2. There is still overlapping in tax collection, which makes calculation complicated. The confusion is largely on the part of the objects of tax collection. According to many cadres who have done industrial-commercial tax collection work for many years, there still exists some overlapping, especially in commerce, because some goods are bought and sold by too many organizations and must pass through too many stages and unnecessary intermediate levels. That is also a factor which has caused the prices of goods to increase rapidly, and has enabled the large and medium-size merchants to increasingly take advantage of "inflation." The problem that is posed is to, at an early date, reorganize commerce, strengthen market management, and create all necessary conditions for state commerce and marketing cooperatives to advance to accounting for most of the wholesale and retail trades.

3. The concern of consumers over constantly rising prices is that because taxes are high. Private merchants,

especially the large and medium-size merchants, use that as an excuse to raise prices further. From the point of view of the present industrial-commercial tax statutes, as many economic managers have observed, they still have the deficiency of not encompassing all categories. Most of the current taxes (license taxes, turn-over taxes, commodity taxes, income taxes, slaughtering taxes, commercial transportation taxes, etc.) one for the large part collected indirectly. Only income taxes are collected directly. Furthermore, we do not yet have much experience in tax collection and our people are not as acquainted with the various kinds of taxes as people in other countries. Therefore, in actuality some product prices increase to an extent because of the effect of taxes, but not all goods do. For example, rice and gold sold on the markets are not taxed very heavily but they are the commodities whose prices have increased the most. From a technical point of view, to increase taxes is to increase the tax rate. But for a long time now we have only adjusted taxes according to the increase in the commercial incomes of merchants caused by increases in market prices and the decline of the purchasing power of money. One thing we saw very clearly during our recent investigation in a number of localities with regard to the still very great short-fall in taxes collected from large and medium-size merchants: at a time when in the neighborhoods and hamlets there are still many households which must work hard for each dong of income, derived from their legitimate labor, so that they can buy sufficient rice to eat, and families which must temporarily eat rice gruel and potatoes in place of rice during the interseasonal periods, nearly all of the large and medium-size merchants, especially those who deal on the black market and evade taxes, live like aristocrats and kings. Clearly, the time has come when there must be a complete, comprehensive, full, and appropriate tax policy toward commerce in general and the large and medium-size merchants specifically, so that the tax tool can be truly up to its significance and goal.

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## SOCIAL

**Corrupt Party Organizations Handicap Farmers**  
42090187a Paris DOAN KET in Vietnamese  
May 88 pp 34, 35

[Text] Immediately after the total victory on 30 April 1975, our party and state held a nationwide conference which up to that time was unique: a conference of families who had contributed the most flesh and blood in the two wars of resistance against the Americans and French (with four sons or more killed). Newsmen attending this conference gave a great deal of attention to one characteristic: that families meeting the standards for the conference were all primary level laborers or ordinary cadres with the majority of them farmers. Two women with 8 and 7 sons killed respectively (not counting some of their grandchildren who were also killed) were both

farmers from Binh Tri Thien and Cu Chi. Today, sticking close to blocking positions along the border as well as on the Truong Sa [Spratly] Islands and other outpost islands, the soldiers who are sons of farmers also make up the majority.

Our farmers are closely connected to the revolution and the party with their flesh and blood. Foreign visitors all speak of an occurrence that is rare in many other countries: that there is a cemetery for the war dead in each village.

In grain and foodstuffs, the farmers also make wholehearted contributions. In many cases reflected by the press, the farmers have sold rice, hogs, sugarcane, peanuts and jute at a state-stipulated price only high enough to regain the capital expended, and have worked without enough to eat but still reserved priority for the state. The farmers who are indolent and shirk their obligations to the state, in any village, are only a minority.

In a conference of local delegates held by the party's Central Agricultural Department at the end of 1987, one party leader was alarmed that farmers in many locations had to contribute up to 85 percent of the rice they produced. Reference materials used to formulate the new program also acknowledged that in a number of villages, farmers were only retaining 13 to 15 percent of the rice they produced. This data coincides with the observation of a number of farmers, once tenants on land rented to them by landlords, who were allowed to retain about 20 percent of the paddy.

Clearly the farmer has the right to work, to contribute and to fight and die, but does not have the most fundamental right of all, to truly be master of the rural area.

A truly distressing occurrence in many locations is that after farmers were started down the road of collective labor, they didn't want to harvest the ripe rice and gradually turned in all or part of their fields. Those farmers who really had to turn in their fields were those who had been forced down the road with the many unwilling and only abandoned their fields in the face of great hardship. Young people in the rural area seek every means to escape and the parents do not want their children to suffer their unfortunate fate or to continue living in the grip of degenerate authorities.

The country has been liberated for a long time but farmers in many places have not yet been liberated. The old farmers, having lived under two systems, believe there are more new tyrants with the right of life or death today in a number of hamlets and villages than there were before the revolution. Party organization in the village (specifically the party committee and chapter committee) always separates the responsibilities of the party committee chairman, agricultural cooperative director, and those responsible for security, the village military unit, etc.

The old canton chiefs and village mayors could not have had the many supports for oppressing the people as the new tyrants, and their young lackey village watchmen could not have amassed as many weapons through the public security, militia and village guerrillas as the dictatorial forces in the village under command of the degenerates. Through the press, we know that a number of villages still have jails and that innocent people are arrested and mistreated law-abiding citizens who have dared to struggle against the degenerates.

All harvested rice must be concentrated in a cooperative granary with many exploitable and long-term stipulations. The new tyrants firmly control the stomach of each cooperative member, distribute paddy to each member according to work points, and farmers with little understanding often receive as much as they understand. In the agricultural cooperatives controlled by degenerates, the delivery of rice by members to granaries is known as "giving eggs to crows." This is one strength the old tyrants could not have had.

In controlling the entire economy, the new tyrants naturally maintain complete political control in hamlets and villages. The village people's council, an organization elected by the people and the agency with the highest authority with village legislative, local government and inspection functions, is chaired by the chairman of the people's committee. The local government leader, also the leader of the people's council (not counting the gentlemen in the council who are primarily high level dignitaries in charge of public security, the local military unit, the cooperative and other organizations in the village), is precisely as once analyzed by the press, "both a ball player and an umpire", and it is easily understood that the elected organization is only a puppet.

Democratic in form only, no council is of little benefit to the farmer and on the contrary simply creates additional legal supports for the degenerates to attain authority in a number of hamlets and villages to take advantage of and harm the people.

Farmers in many locations hope that our party and state will dare to straightforwardly face the extremely bitter truth. Degenerates in the rural area select party candidates who follow their faction and line, and the "party fragrance" in the hamlet and village is no less outmoded than during ancient times. The newspaper TUOI TRE in Ho Chi Minh City once reported the opinion of a mother from Cu Chi on the true nature of the party organization in the village, "Party members are many but communists are few." All those who know the rural situation in the north as well as the south thoroughly understand this profound observation of the Cu Chi mother since the quality of many party organizations in the rural area has seriously declined.

The degenerates all hide behind the screen of the party to blame anyone who dares to struggle against them of being antiparty, and connect their position with the party for an excuse to eliminate the faithful party members and active masses. They use the apparatus they control to discredit, falsely accuse and even imprison those who are not in cahoots with them. Farmers struggling against the new tyrants are always in a weak position because their most dependable support, the party organization in the village, has become a support for the degenerates themselves.

In an article on Dong Tien Village in Hai Hung Province, author N.V.L. asked the question, "When many key cadres in the province become degenerate, whom can the people depend upon?"

Farmers in every hamlet and village know clearly who the authentic communist party members are, who the party members of empty talk are, who have big houses with large doors, and who are enriching themselves by using their authority to exploit the people, including the posts they use as their umbrella. Unmasking corrupt officials in the rural area is not difficult if it can be ensured that those who dare to struggle with them are not retaliated against and ruined.

Purifying the hamlet and village party organization, and expelling degenerates and tyrants from the party are prerequisite conditions for winning the mastership rights of the farmers.

7300

**Cadre Poet Describes Difficult Life**  
42090187b Paris DOAN KET in Vietnamese  
May 88 p 35

[Poem by Be Kien Quoc: "To My Friend"; written 31 Dec 87; reprinted from VAN NGHE No 12, 19 Mar 88]

[Text] Traveling from Thanh Hoa to Hanoi  
At first sight seemingly an old peasant  
Happy to find fish in a meal of rice  
Sitting with chopsticks, eyes brimming with tears

The haste ends and I cry  
My wife and children at home hunger for rice  
Harvest complete, paddy delivery payments still short  
Hunger pacified with gruel, vegetables from a small garden

Many were the stories told that night  
Awake long before realizing how late it truly was  
Nearly 50 years old, why still the ups and downs  
Listening, perplexed like the stories

In my life as a cadre in Hanoi  
I see myself as impoverished, miserable in every aspect  
But looking down, oh, so very far  
Finally you at home

No one is exclusive, for all hamlets,  
Villages, districts...suffer the farmer's fate  
Some placing insecticide in their gruel  
Forcing the children to eat, following themselves

Some young children out of love for a sick mother  
Have gone to steal chickens from another hamlet  
Caught, taken to the village office  
Beaten, tortured throughout the night

As for planting, during the new contract period  
The first two crops appear good  
Then...empty handed, completely empty handed  
Clothes wet with sweat, standing, staring

The night is cold. The edge of my blanket wet with tears  
The wind grasps and twists the trees  
Long traveling round in circles in a narrow life  
Mouthful of rice and piece of cloth an everyday story

Still knowing our people are very miserable  
How miserable?—in every way!  
Luckily this heart is not icy cold  
Still knows the confusion of accepting pain

I suddenly hesitate: Observing the fate of the country  
Through this desperate period, change is necessary

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